
Digitized by the Internet Archive
in 2022 with funding from
University of Toronto

https://archive.org/details/31761114683717

A20N
c 21
P12

Government Publications

Ontario

P-1

ISSN 1180-4327

Legislative Assembly of Ontario

Third Session, 35th Parliament

Official Report of Debates (Hansard)

Thursday 29 April 1993

Standing committee on public accounts

Organization

Chair: Joseph Cordiano
Clerk: Tannis Manikel

Assemblée législative de l'Ontario

Troisième session, 35e législature

Journal des débats (Hansard)

Jeudi 29 avril 1993

Comité permanent des comptes publics

Organisation

LIBRARY
MAY 24 1993
University of Toronto

Président : Joseph Cordiano
Greffière : Tannis Manikel

Published by the Legislative Assembly of Ontario
Director, Hansard Reporting Service: Don Cameron

Publié par l'Assemblée législative de l'Ontario
Directeur, Journal des débats : Don Cameron

Table of contents

Table of contents for proceedings reported in this issue appears on the outside back cover, together with a list of committee members and others taking part.

Index inquiries

Reference to a cumulative index of previous issues may be obtained by calling the Hansard Reporting Service indexing staff at 416-325-7410 or 325-7411.

Subscriptions

Subscription information may be obtained from: Sessional Subscription Service, Publications Ontario, Ministry of Government Services, 50 Grosvenor Street, Toronto, Ontario, M7A 1N8. Phone 416-326-5310, 326-5311 or toll-free 1-800-668-9938.

Table des matières

La table des matières des séances rapportées dans ce numéro se trouve sur la couverture à l'arrière de ce fascicule, ainsi qu'une liste des membres du comité et d'autres personnes ayant participé.

Renseignements sur l'index

Il existe un index cumulatif des numéros précédents. Les renseignements qu'il contient sont à votre disposition par téléphone auprès des employés de l'index du Journal des débats au 416-325-7410 ou 325-7411.

Abonnements

Pour les abonnements, veuillez prendre contact avec le Service d'abonnement parlementaire, Publications Ontario, ministère des Services gouvernementaux, 50 rue Grosvenor, Toronto (Ontario) M7A 1N8. Par téléphone : 416-326-5310, 326-5311 ou, sans frais : 1-800-668-9938.

Hansard Reporting Service, 481 Legislative Building, Toronto, Ontario, M7A 1A2. Phone 416-325-7400. Fax 416-325-7430

LEGISLATIVE ASSEMBLY OF ONTARIO

STANDING COMMITTEE ON PUBLIC ACCOUNTS

Thursday 29 April 1993

The committee met at 1014 in room 228.

ELECTION OF CHAIR

Clerk of the Committee (Ms Tannis Manikel): Honourable members, it's my duty to call upon you to elect a Chair. Are there any nominations?

Ms Dianne Poole (Eglinton): I would like to nominate Mr Cordiano as Chair.

Clerk of the Committee: Any further nominations?

Mr Pat Hayes (Essex-Kent): I nominate Ron Eddy.

Clerk of the Committee: I'm sorry; Mr Eddy is not a permanent member of the committee.

Mr Hayes: Oh, he's not? I'm sorry. Okay.

Clerk of the Committee: Are there any further nominations? There being no further nominations, I declare Mr Cordiano elected Chair of the committee.

ELECTION OF VICE-CHAIR

The Chair (Mr Cordiano): May I have the names for election of Vice-Chair, nominations for Vice-Chair?

Mr Ron Eddy (Brant-Haldimand): I move Ms Poole be Vice-Chair.

Mrs Margaret Marland (Mississauga South): Did Lyn approve this?

The Chair: No.

Mrs Marland: Did Lyn approve this? Before I vote on it.

The Chair: Are there any further nominations?

Mr Mike Farnan (Cambridge): I move Ms Marland.

The Chair: Ms Marland, do you accept the nomination?

Mrs Marland: As Vice-Chair? Is that what we're talking about?

The Chair: I suppose.

Mrs Marland: I would certainly have liked to have accepted that because I enjoy that opportunity, but I am in another capacity on another committee. I particularly appreciate the nomination from Mr Farnan. Thank you.

The Chair: Seeing as there are no further nominations, I declare the nominations closed and Ms Poole—I can say that, Ms, right?

Ms Poole: Right.

Mrs Marland: You can call me Mrs Marland.

The Chair: I can call you Mrs Marland. Ms Poole is elected Vice-Chair.

APPOINTMENT OF SUBCOMMITTEE

The Chair: Mr Frankford, do you have a motion for the subcommittee?

Mr Robert Frankford (Scarborough East): I move that a subcommittee on committee business be appointed to meet from time to time, at the call of the Chair or at the request of any member thereof, to consider and report to the committee on the business of the committee; that substitution be permitted on the subcommittee; that the presence of all members of the subcommittee is necessary to constitute a meeting; and that the subcommittee be composed of the following members: Mr Cordiano, Ms Poole, Mr Duignan and Mr Tilson.

The Chair: Any debate? There being no debate, does the motion carry? Carried.

Mrs Marland: Do you know the names of the subcommittee?

The Chair: Names of members on the subcommittee: myself, Ms Poole, Mr Duignan and Mr Tilson.

Mrs Marland: I just wanted to confirm that it is Mr Tilson because he is the senior member of this committee. He's older than I am and he's been on the committee longer. I want him to read this Hansard.

The Chair: Now that we've settled that, and that is an important matter—

Ms Poole: On a point of order, Mr Chair: I just wondered if Mrs Marland would like to provide any evidence showing that Mr Tilson is the senior statesman for their party here or that he's the older member or any of that nature just to assist us with this difficult decision.

The Chair: Given that's not a good point of order, although it is our first day and it is an interesting point of fact, we shall carry on with some of the matters that are before us today.

1020

REVIEW

The Chair: There are a couple of matters that we need to refer to as a committee still sitting. We're not dealing with any specifics, but I know the Provincial Auditor wanted to make a few comments. He mentioned that to me, so I would just take a few moments to allow him to review a couple of items very briefly and then we'll revert to the subcommittee.

Mr Erik Peters: I just wanted to advise you of some action that I've taken in the intervening period, just to let you know. I have written a letter to Mr Mancini, when he was the Chair, as well as copies to Mr Laughren and copy to Mr Charlton, on the Audit Act.

Very quickly, to summarize, I have advised all three that I would prefer that the government establish an appropriate accountability framework for the ministry in preference to dealing with the Audit Act at this time, and that the Audit Act be deferred until that accountability framework is in place so that the Audit Act can be appropriately worded along the lines of that framework.

The main reason for this is that by strengthening the Audit Act at this particular time, I felt that we would be auditing literally into a vacuum, because we would audit, hold bureaucrats accountable for management action that is not regulated for them, not spelled out in any legislation or whatever.

As you know, already in the first few sessions we had ministries before us which claimed very often that we had imposed the standard against which we were auditing, rather than they themselves being in a position of having to impose that standard. My preference is that through a legislated accountability framework, and there are a number of opportunities through omnibus legislation to move that through, we would prefer that this were to happen in preference to changing the Audit Act. So that was the number one item on my agenda.

The Chair: There are a number of interested members on this subject, but can I suggest that we just hear from the auditor and then refer the matter to another day when we can fully debate and discuss the implications of this, because we are going to be pressed for time this morning. We want to get on to the subcommittee items, and I also have to appear in the House in about 10 minutes. Could I ask to defer this item, and the other item, if you would continue and review that?

Ms Poole: Mr Chair, I just had one question, actually, of clarification. I just wondered whether the auditor had any idea how long this deferral would take, whether in fact he has had discussions with treasury to say whether this would take place over the next six months, when there could be an omnibus bill, or if he has any idea whether we would get changes to the Audit Act within the mandate of this particular Parliament.

Mr Peters: Good question. I've had no responses to my letter from any one of the addressees, so I don't know.

The Chair: As I say, there are probably a number of things that we want to delve into on this subject matter, and I think it needs further and a fuller kind of discussion, because there are a number of views that have been held around here with respect to this, and it's an important item, so I would like to give it full consideration at another date. Can we have the second item and then we'll carry on from there?

Mr Peters: Again, it is in order to put this potentially on your agenda. I've also written a letter to the Minister of Finance on three issues. Number one is the issue of identifying for him, again, that quite a wide variety of savings were quantified by us in the 1992 auditor's report, as well as there were some indirects, and I've asked if some consideration could be given to implementing some of these savings and realizing them in the fight on the deficit and reducing the debt. The quantified number, if you recall, exceeds $300 million in the 1992 report, and then some in some areas. That was the first one.

The second one: I again reiterated the issue of accountability that I related to you in item 1, seeking an answer or some sort of response as to whether this was a practical way of proceeding or some reaction that I could get.

The third one is by far the most serious of these issues, and that's why I wanted it on the table soon, and that is that my office is reviewing whether we can give a clear audit opinion on the accounts of the province, of the consolidated revenue fund, as of March 31. A number of reservations are coming up, and we are currently looking at the form that these reservations will take.

The two major issues are the fund practices, the modified cash basis of accounting, and that allows to defer cash flows and to defer expenditures to future periods which actually pertain to the current period. The amounts that have come thus far to our notice are so substantial that we feel we will have to seriously consider this issue.

The second one is that through the creation of the new crown corporations and the apparent intent of keeping these crown corporations out of the consolidated revenue fund, the consolidated revenue fund may no longer present, in future, the financial position of the province. I just wanted to put you on notice that I've written that letter.

The third very important issue is that the accounting rules he followed in setting the budget are not the same accounting rules on which we report the actual results. Again, I've asked for consideration and I've written that letter, but I have had no response to date.

I just wanted to advise the committee of these. I thought these were important matters that you ought to know at the outset so that you can take them into consideration as you set the business for your committee.

The Chair: Before I turn to members for comment, can I just say that we comment in terms of the entire package; and how we will proceed with dealing with this matter, I think it should be referred to the subcommittee to be scheduled and therefore not deal with substantive matters that have been raised here today. Can I get agreement on that? I'll allow one comment from each party.

Mrs Marland: I have just a question for clarifica-

tion. Erik, when you describe a clear audit opinion, what is a clear audit opinion? Is that without any encumbrances or limitations?

Mr Peters: That's right. It presents fairly; it does all the right things.

Mrs Marland: With no limitations.

Mr Peters: With no limitations.

Mrs Marland: Okay. And you're asking if you can do that.

Mr Peters: No. I'm advising, actually, the Minister of Finance that matters have come to my notice that may prevent me from giving that clear opinion for the year ended March 31, 1992.

Mrs Marland: That's very serious. And just one other thing for clarification: You said there are different accounting rules.

Mr Peters: That's right.

Mrs Marland: That's also very significant.

Mr Peters: Yes.

Mrs Marland: Mr Chairman, these are very grave matters. When did you write the letter that you haven't had an answer to yet?

Mr Peters: I wrote the letter April 8, and it was preceded by letters to the deputy ministers responsible for those areas.

Mrs Marland: So, Mr Chairman—

The Chair: I'm sorry. I'm just trying to cope with the fact that I'm going to have to go into the House. So could I ask that we—

Mrs Marland: Let Dianne chair it.

The Chair: —refer this to the subcommittee?

Mrs Marland: No. I don't mind referring it to the subcommittee, but I do want to get a couple of answers now, because the subcommittee can't deal with it without a little bit more information.

The Chair: Okay, fine.

Mr Farnan: I would support the Chair's deferral at this stage. I think we can come back and we can get answers, but we really have to draw closure right now.

Mrs Marland: Why?

Mr Farnan: I'm interested in the same information as you are. I was going to ask that, if it's possible, all members of the committee receive copies of the letter; if it's possible, that other letters in the past that have asked for similar kinds of information be included in the package so that we see the history of this kind of request from the auditor, and if there are any records of the debate within committee and the House related to this kind of issue. I think we should be as fully informed about the issue as we possibly can. But I certainly appreciate the action of the auditor in terms of presenting what he feels are necessary approvals in order to do a thorough job.

Mr Larry O'Connor (Durham-York): Hopefully, those letters would be available to the subcommittee.

Mr Farnan: Can we move—

Mrs Marland: I had the floor, with respect.

The Chair: I'm going to do this: I'm going to allow Dianne to sit in the chair for another couple of minutes. I'm at the whim of the committee, if you'd like to discuss this for another couple of minutes. We are then, I might suggest, having a subcommittee meeting at 11 o'clock. I'd like to ask Mr Duignan—

Mr Farnan: If Margaret wants to discuss it, let her sit on the subcommittee and discuss it, but I don't have to sit here this morning—

The Chair: We are going to have a meeting at 11 o'clock of the subcommittee to detail our agenda. This will be an item for discussion at that time.

Mrs Marland: I think it's disappointing that we can't have the Vice-Chair take over the chair. That's all I'm saying.

The Chair: I'm prepared to do that.

Mrs Marland: So let it happen.

1030

Mr Farnan: I move a motion, Mr Chair, that the subcommittee get on with the business. The auditor has made a clear request. The entire committee is aware of that request. It's up to the subcommittee to get on with the business. Let's try, during this session of this committee, that we don't grandstand and don't get on soapboxes and we get down to some serious work. Let the subcommittee get on with the job. We don't have to all make speeches about what we want. We all want the facts so that we can make an informed decision on this.

The Chair: Okay. I guess we'll deal with Mr Farnan's motion to allow the subcommittee to deal with this matter. I'm going to have to call for a vote on this.

Is there agreement for that motion to be carried? All those in favour?

Mrs Marland: I think this is unfortunate.

The Chair: We can debate this, if you'd like.

Mrs Marland: I'm not asking to debate it. I was in the middle of a sentence when you started talking to the clerk and Mr Farnan interjected. I did have the floor. I don't want to make a big deal of it, but I'm just saying that's what happened. Fine, wait till 11 o'clock if you want to, but I'm just saying Mr Farnan jumped in and I only have one other question to ask. Let it go.

Mr O'Connor: Would it be possible for a subcommittee to have those letters for 11 o'clock to deal with the matter fully?

Mr Farnan: They can't deal with this in one day.

Mr O'Connor: The subcommittee may not even actually be able to deal with it completely, but anyway—

Mrs Marland: That's not the point.

Mr O'Connor: The subcommittee can decide that and it's been so empowered, so I think it's important to recognize that.

Mrs Marland: Are we going to deal with this next week? Will it be on the agenda next week?

The Chair: Ms Poole wants to make a comment. She had her hand up first and then Mrs Marland.

Ms Poole: I'm certainly prepared to have the steering committee meet to deal with this. My concern is that if there are questions of a very factual nature, questions of the auditor, that should be answered before the steering committee meets, I don't see a problem with getting those questions and those answers on the record so that the steering committee is basically dealing with a full deck and as much information as we have.

I assume the auditor would be invited to come to our steering committee meeting. Is that correct, Mr Chair?

The Chair: If that's necessary. Certainly, we could make that a possibility.

Ms Poole: It's just that it would be particularly important, if the auditor wasn't available to answer some of the questions we might need, before deciding what further action needs to be taken.

The Chair: Could I just suggest that really—I would like to say this informally, but we're on record. I just think it's important for us to realize that whatever items we want to deal with as a committee can be dealt with if there's a consensus, and I would like to foster that spirit of cooperation and consensus to deal with matters.

This is not, in my opinion, a committee where we would veer away from dealing with items where there is some general importance attached to those items; I think what the auditor raises is very important. I don't think there's any disagreement with the fundamental importance of these matters. The reason for the steering committee is obviously to make this happen in a more efficient and orderly way.

We can then come back to the committee and deal with these items in as fulsome a way as is necessary—it may take more than one meeting to do that—and I think all members would be in agreement with that.

Mr Farnan: That was my intent.

The Chair: I apologize this morning. I'm a little frantic, because I do have to speak on this matter. Perhaps I've misjudged the flow of this debate. Mrs Marland, you want to make a final comment.

Mrs Marland: Just to say that I concur with your last comments about consensus and so forth. The point is that it is important that the auditor is meeting with the subcommittee, because what we're talking about, clearly, is the auditor's ability to do his job. He's written a very serious letter three weeks ago.

Mr Farnan: Point of order, Mr Chair.

Mrs Marland: Excuse me—

The Chair: On a point of order, Mr Farnan.

Mr Farnan: I think two things have happened. One, there was a motion for adjournment of the committee. Second, you gave a very clear and concise direction to the committee for the future: You said you want this matter dealt with fully; you want all the facts so that we can work on it. I think those two things together clearly set the direction. The subcommittee will work to set up the meetings so that all the facts are available. You yourself said it may take one or two meetings. It's not something we want to deal with in a haphazard manner. But let's accept the procedures as they exist. We've had a motion to adjourn. Surely that means precisely what it says.

The Chair: Mrs Marland had the floor. I apologize; I'm going to have to go into the House.

Mr Farnan: Mr Chair, the meeting was adjourned. I don't think you understand the implication of an adjournment motion.

The Chair: I'm sorry; I didn't quite hear that there was a motion on the floor for adjournment, so I must have missed that. There was a motion to adjourn that matter—I understand that—and Mrs Marland stood down.

Mr Farnan: Mrs Marland refuses to accept the will of the committee; she continues to debate the matter.

The Chair: I would hope that we don't have to have the kind of rancour and acrimony that would lead us not even to agree to how we're going to proceed. I would like to say at this point that I'd hope we could avoid those kinds of discussions. In my capacity as Chair I will try to facilitate a smooth functioning of the committee as much as possible.

I think this matter should be dealt with by the subcommittee. There was a motion on the floor. If you'd want to carry forward with an adjournment because of that motion, so be it. Since there is no disagreement from Mrs Marland, we'll have the adjournment. That's where I was moving.

Thank you. Meeting adjourned.

The committee adjourned at 1036.

CONTENTS

Thursday 29 April 1993

Election of Chair P-1
Election of Vice-Chair P-1
Appointment of subcommittee P-1
Review P-1

STANDING COMMITTEE ON PUBLIC ACCOUNTS

***Chair / Président:** Cordiano, Joseph (Lawrence L)
***Vice-Chair / Vice-Présidente:** Poole, Dianne (Eglinton L)
Callahan, Robert V. (Brampton South/-Sud L)
Duignan, Noel (Halton North/-Nord ND)
*Farnan, Mike (Cambridge ND)
*Frankford, Robert (Scarborough East/-Est ND)
*Hayes, Pat (Essex-Kent ND)
*Marland, Margaret (Mississauga South/-Sud PC)
Murphy, Tim (St George-St David L)
*O'Connor, Larry (Durham-York ND)
Perruzza, Anthony (Downsview ND)
Tilson, David (Dufferin-Peel PC)

*In attendance / présents

Substitutions present / Membres remplaçants présents:
Cleary, John C. (Cornwall L) for Mr Murphy
Eddy, Ron (Brant-Haldimand L) for Mr Callahan

Also taking part / Autres participants et participantes:
Peters, Erik, Provincial Auditor
Sciarra, John, administrative assistant to Provincial Auditor

Clerk / Greffiére: Manikel, Tannis

Staff / Personnel: McLellan, Ray, research officer, Legislative Research Service

A2ON
XC 21
P72

Government
Publications

Ontario

ISSN 1180-4327

Legislative Assembly
of Ontario

Third Session, 35th Parliament

Assemblée législative
de l'Ontario

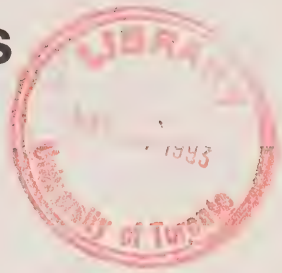
Troisième session, 35e législature

Official Report of Debates (Hansard)

Thursday 6 May 1993

Journal des débats (Hansard)

Jeudi 6 mai 1993



Standing committee on public accounts

Annual report,
Provincial Auditor, 1992

Chair: Joseph Cordiano
Clerk: Tannis Manikel

Comité permanent des comptes publics

Rapport annuel de 1992
du vérificateur provincial

Président : Joseph Cordiano
Greffière : Tannis Manikel

Published by the Legislative Assembly of Ontario
Director, Hansard Reporting Service: Don Cameron

Publié par l'Assemblée législative de l'Ontario
Directeur, Journal des débats : Don Cameron

Table of contents

Table of contents for proceedings reported in this issue appears on the outside back cover, together with a list of committee members and others taking part.

Index inquiries

Reference to a cumulative index of previous issues may be obtained by calling the Hansard Reporting Service indexing staff at 416-325-7410 or 325-7411.

Subscriptions

Subscription information may be obtained from: Sessional Subscription Service, Publications Ontario, Ministry of Government Services, 50 Grosvenor Street, Toronto, Ontario, M7A 1N8. Phone 416-326-5310, 326-5311 or toll-free 1-800-668-9938.

Table des matières

La table des matières des séances rapportées dans ce numéro se trouve sur la couverture à l'arrière de ce fascicule, ainsi qu'une liste des membres du comité et d'autres personnes ayant participé.

Renseignements sur l'index

Il existe un index cumulatif des numéros précédents. Les renseignements qu'il contient sont à votre disposition par téléphone auprès des employés de l'index du Journal des débats au 416-325-7410 ou 325-7411.

Abonnements

Pour les abonnements, veuillez prendre contact avec le Service d'abonnement parlementaire, Publications Ontario, ministère des Services gouvernementaux, 50 rue Grosvenor, Toronto (Ontario) M7A 1N8. Par téléphone : 416-326-5310, 326-5311 ou, sans frais : 1-800-668-9938.

Hansard Reporting Service, 481 Legislative Building, Toronto, Ontario, M7A 1A2. Phone 416-325-7400. Fax 416-325-7430

STANDING COMMITTEE ON PUBLIC ACCOUNTS

Thursday 6 May 1993

The committee met at 1015 in room 228.

ANNUAL REPORT, PROVINCIAL AUDITOR, 1992

MINISTRY OF HEALTH

The Chair (Mr Joseph Cordiano): Members of the standing committee on public accounts, we'll now be coming to order this morning. We have a few items before us on the agenda. We're going to deal with Mr Callahan's notice of motion. There are two of them. Does everyone have a copy of those notices? Yes? Do you have a copy of the notices of motion that were distributed by the clerk to be discussed this morning? Okay. Mr Murphy, would you like to move these notices of motion?

Mr David Winninger (London South): Excuse me, Mr Chair. Are we supposed to have copies of the notices of motion?

The Chair: Yes. The clerk has additional copies if you don't.

Mr Tim Murphy (St George-St David): I move that the Provincial Auditor conduct a follow-up audit to section 3.10 of the Provincial Auditor's 1992 annual report and that the scope of this follow-up audit include, but not be limited to, the unauthorized use of health registry cards.

Should I move both, Mr Chair?

The Chair: No, we're going to deal with them individually. But can I just suggest at this point—it was indicated to me by the auditor that it should be amended to read as follows. Let me repeat it and indicate where the changes are to be made:

"That the Provincial Auditor conduct a follow-up audit to section 3.10 of the Provincial Auditor's 1992 annual report and that the scope of this follow-up audit include, but not be limited to, reviewing the procedures used by the ministry to eliminate the unauthorized use of health registry cards."

The auditor has indicated that that would conform more to the reality of the situation. That is to say that it would be very difficult, you'd be hard pressed to actually go out and investigate individuals. I think that would reflect more the case, for the audit to review procedures that are used by the ministry rather than to put the onus on the auditor to review individuals who might have these unauthorized cards. Does everyone follow?

Mr Mike Farnan (Cambridge): Could you repeat that? "Reviewing the procedures used by the ministry to"—

Mr Erik Peters: Eliminate.

The Chair: "To eliminate the unauthorized use of health registry cards." I need someone to move that amendment.

Mr Murphy: That seems to be a friendly amendment.

The Chair: Would you like to move that, Mr Murphy?

Mr Murphy: I accept that as a friendly amendment. I guess someone has to move it, so I'll move it.

The Chair: I'm sorry; we need another member to move the amendment to your motion.

Mr Murphy: How about I withdraw my original motion and I will move an amended motion?

The Chair: That's better, yes.

Mr Murphy: So you have the wording, Mr Chair.

The Chair: I've got it all straight here. It would read as follows, your new motion:

"That the Provincial Auditor conduct a follow-up audit to section 3.10 of the Provincial Auditor's 1992 annual report and that the scope of this follow-up audit include, but not be limited to, reviewing the procedures used by the ministry to eliminate the unauthorized use of health registry cards."

Mr Murphy: Can we make it "the Ministry of Health"?

The Chair: Okay, any discussion?

Mr Murphy: I so move.

Mr David Tilson (Dufferin-Peel): A question to Mr Peters: Did Mr Decter provide you or the Chair of the committee or the clerk of the committee with all of the undertakings that he agreed to when he appeared on this topic?

Mr Peters: Not yet.

Mr Tilson: Not yet? I guess he's too busy.

Mr Peters: I understand there may be something out. I read in the papers that some report is out on this issue, but I haven't seen it.

Mr Tilson: Well, he gave us a substantial number of undertakings when he appeared before us in—when? I lose track of time.

Mr Peters: It was February some time.

Mr Tilson: February. Obviously I'm concerned about that. Has he given us anything that he undertook to give us?

Mr Peters: Do you know?

Mr James McCarter: I was here at that time. I can't really recollect that there is a specific list of

undertakings that he did indicate. I'd have to go back and look. But to date, we haven't had any update on the information vis-à-vis eligibility and where things stand as far as statistics are concerned.

1020

The Chair: Can I just add that the clerk indicates we have not received anything formally to the committee.

Mr Tilson: They would come to the Chair as opposed to Mr Peters, would they, these undertakings?

The Chair: Yes, through the clerk.

Mr Tilson: I leave it in your capable hands, Mr Chair. The deputy minister undertook a number of months ago to provide us with information. The auditor will need it if this motion carries. Notwithstanding whether it carries or not, he undertook to this committee to give it to us. So I support the motion. I don't really have any comments to add, but I am concerned that Mr Decter—I know he's busy, but that doesn't matter; he still could get this information to the committee. I think the members of the committee need this information, as does the auditor.

The Chair: I think it's a fairly straightforward matter; that is to say, we would follow up. That request is outstanding, and I could simply get the clerk to follow up with a letter to Mr Decter requesting that the information be made available as soon as possible, do a follow-up on that basis.

Mr Peters: May I help you with one brief point? One of the items mentioned was an experiment with a smart card in the Fort Frances area. I, somewhere among the many papers I received, just last week saw a note that the draft report is expected about now, the end of April or early May.

Mr Tilson: That was in your paperwork that research gave us. I saw that.

Mr Peters: That's right. That's the one indication that I have of a delivery date of a document.

Mr Tilson: Actually, it should be here by now. It was the end of April.

Mr Tilson: Yes, the date is now.

The Chair: Any further discussion on the motion before us? If there isn't, then is the motion carried, the motion I just read into the record? Mr Farnan, you have—

Mr Farnan: I was signalling support for the motion.

The Chair: So I gather there is unanimous consent for this motion.

Mr Robert Frankford (Scarborough East): Can we ask that the motion be stood down until next week?

Mr Tilson: Stood down until next week? We'll give you 20 minutes, tops.

Mr Winninger: You're dealing with the section 17 special audit now or section 3.10?

Mr Peters: Section 3.10.

Mr Winninger: We can agree to the section 17 special audit today. We're asking that the section 3.10 special audit be deferred until the next committee meeting.

The Chair: That's certainly something you may wish to undertake. You can do that, if you would like to like to defer the motion.

Mr Farnan: I'm being persuaded very much by my colleague, and certainly I don't think a week—

Mr Tilson: That was easy.

Mr Farnan: —will put anything askew. I think, in a spirit of collegiality, we can agree that we'll deal with this next week.

The Chair: Okay, then the matter will be deferred until next week.

Could I call on the second motion to be moved by Mr Murphy.

Mr Murphy: I move that the Provincial Auditor—

Mr Tilson: Before we leave that, Mr Chairman, is there any reason why we're deferring this till next week? This has been in the material. It's not as if it's been—

Mr Winninger: Because we don't want to vote it down today.

Mr Tilson: I know you can vote on whatever you want to do—

Interjections.

The Chair: Order, Mr Tilson has the floor.

Mr Farnan: The member asked a good question: Why next week? In reality, this is something I want to give serious consideration to. I have a sense that I will support it, but I want to weigh the issue a little more carefully and I think by next week I'll be in a position to do that. I'm asking the indulgence of my good friend and colleague. If he can postpone this for seven days, I'd be very grateful.

Mr Murphy: I think we can agree, provided you agree to vote yes next week.

Mr Farnan: There's a good negotiator.

The Chair: I suppose, then, there's agreement to defer.

Mr Tilson: No, there's no agreement to defer, but they've got three votes and we've got two over here. There's no agreement.

The Chair: Well, there are negotiations that are ongoing.

Shall we move to the second notice of motion?

Mr Murphy: Yes. I move that the Provincial Auditor be directed to conduct a special audit pursuant to section 17 of the Audit Act, to assess the effectiveness of collection procedures with reference to the quality of information and the timeliness with which it

is turned over to the central collection services of the Ministry of Government Services.

The Chair: Mr Murphy moves this motion. Is there any further discussion on the matter? No discussion. Shall the motion carry? Carried.

One out of two isn't bad. I would just point out, on the first motion, that this was in fact discussed by the subcommittee as an agenda item to be dealt with today. Just to add some reason behind having to deal with this motion today, it was determined at the last subcommittee meeting that we would be dealing with this.

Mr Farnan: I would apologize to my opposition colleagues. The fact is and the truth is that we haven't had an opportunity to sit down with our member on the subcommittee and be briefed on that. When that briefing takes place, then we'll be able to look at it again.

The Chair: Fine. So we'll deal with it next week.

Before we move to the second item as noted on the agenda, perhaps we could deal with our budget. There's a proposed budget that the clerk has prepared, and I've just been informed by the clerk that there's a revised budget on your desks. Does everyone have a copy of that? Very good.

The clerk also informs me, very wisely, that there are two budgets, one for the conference which will be held in July and of course our Canadian Council of Public Accounts Committees. Does everyone have a copy of that?

Mr Tilson: Which budget do you want us to look at?

The Chair: We're looking at both. I just want to make sure you have both, a copy of each. Is there any discussion on the budget?

Mr Murphy: Maybe the clerk would know: What was spent last year by the committee?

The Chair: We don't have those figures with us, but the clerk tells me she can make those available at the next meeting.

Mr Murphy: Is there is a sense of whether it was anywhere near the amount budgeted for this year? Less? More? Substantially less? Substantially more?

The Chair: I believe this figure is less than last year's because there is—

Mr Murphy: Less than budget or less than actual?

The Chair: There are travel expenses in this budget and the committee probably will not travel. There was in last year's budget and we didn't travel. So this represents probably very close to what last year's was, right? Or is there a substantial difference?

Clerk of the Committee (Ms Tannis Manikel): The budget itself is very close to last year's budget. It's higher than what was expended last year because, to cover the possibility that the committee will travel, we have money in this budget to travel. Last year, the committee did not travel.

Mr Murphy: Do we have any reasonable expectation that the committee will travel this year?

1030

The Chair: That always remains to be seen, Mr Murphy. If the Legislature demands that we travel somewhere, we will have to accommodate that, so we have to include a travel allowance in the budget to prepare for that possibility, should that arise. Ms Poole, you had a question.

Ms Dianne Poole (Eglinton): Go ahead if you have a question.

Mr Murphy: Perhaps it can wait until after, but in the spirit of the times and the restraint, I'd like to propose a reduction in this budget. I gather if we need more money we can go and talk to the Board of Internal Economy on a special basis. I think we shouldn't budget just on the hope or the chance that something might happen; I think we have to reflect the spirit of the times. I'd like to propose a 15% reduction in this budget, and I also would like to make as part of that motion a suggestion that we ask the Board of Internal Economy if we can debate the issue in here of the elimination of the per diems.

The Chair: Can I make a suggestion that the subcommittee review this matter and report back to the committee, as we're running out of time this morning and there seems to be a disagreement on the amounts pertaining to the budget allocation. I would appreci[illegible] it if the subcommittee would have a review of this a[illegible] then report back to the committee. Is that acceptable?

Mr Murphy: What I'd like to see, if that's going to happen, is what the actual expenditures were last year, what the actual budget was, and perhaps the year before as well, and then review this budget in view of the restraint that's being forced on every Ontarian. I think we have to reflect that restraint here. I'd also like to have the subcommittee consider the issue of talking to the Board of Internal Economy about the possible elimination of per diems.

The Chair: About what, sir?

Mr Murphy: About the possible elimination of per diems.

The Chair: Each of the caucuses has a representative on the Board of Internal Economy. It is in that spirit that these matters are discussed, through the representative of each caucus on the Board of Internal Economy. Of course, you can make that point here and I'm sure you will make it elsewhere, and each of us has our own views on these matters. It's certainly a matter that can be dealt with at the Board of Internal Economy, but I'm not sure it would be dealt with through the committee route.

I think, with respect to the budget, we can review the expenditures that are being proposed with that in mind.

It's my feeling that these budgetary items and these amounts have been steadily declining, as there has been very little travel over the last three years on any committee that I've been a member of. So I think the amounts, you will see, have been reduced quite significantly.

Having said that, we can review each of the items, but I would like to do that in subcommittee, unless we defer this matter for the whole committee to review at some further date. But we do need to establish the budget.

Mr Murphy: Mr Chair, I'm prepared to have the subcommittee consider these issues, provided they come back with a report on actual expenditures and some sense of the reality of this budget. No insult intended to the clerk, but I would like to have the information in order to be able to assess it.

The Chair: I see this has generated some interest, so I'm going to start taking a list. Margaret was first. I'm sorry: It's Margaret Marland—Mrs Marland.

Mrs Margaret Marland (Mississauga South): No, it's quite appropriate to say "Margaret." That is my name.

I apologize for being late, due to another responsibility. I realize I haven't heard very much of what Mr Murphy has been saying, but if he is proposing a reduction—is he proposing just an arbitrary reduction in the budget?

Mr Murphy: The proposal was a 15% reduction in the budget. We had an absence, I gather, of information about what the actual expenditures were last year, and that information would be helpful to ascertain whether that number is an appropriate number. I wanted the issue raised so that we could discuss it.

Mrs Marland: I'm just wondering on what basis Mr Murphy would come in here and make a recommendation to arbitrarily reduce it by any percentage or arbitrarily increase it by any percentage. If you're going to make that kind of motion, Mr Chair, to make a reduction or an increase in the budget, I think you've got to have done your homework and have some basis for that kind of motion. I say that with respect to Mr Murphy, but I don't think these budgets are drawn up in a superficial way by the clerk and the Chair, and I would like to know on what basis Mr Murphy is making that suggestion before we have the subcommittee spend a lot of time going into a lot of work about just reducing it.

You know, it's a very interesting thing that's happening here at Queen's Park. There's some—well, I might as well say it as I see it. I think we are getting some political grandstanding going on by all three parties. I'm not attacking any one party, but we're getting political grandstanding on all three parties' parts and I'm wondering where we're going to end up.

If we end up saying that no committees will travel in this province, then I think we're shutting out anybody who lives outside of the greater Toronto area in terms of true, responsible representation by those members. If there is a matter before this committee that is of interest, concern, involvement, any number of areas, to people outside of the greater Toronto area, are we going to say to the public who live in Thunder Bay, which the leader of the Liberal Party represents, "You come down to Toronto and find out what's going on at Queen's Park"? Is that what our future representation is going to be? When we have pieces of legislation that—

The Chair: Mrs Marland, just let me interrupt you for a moment. I see I have just about every member on the committee on the list for speaking on this matter. I would like to point out to members of the committee that we have Mr Wyszkowski here to deal with the issue that was on the agenda. Now, we could continue to discuss this matter, but I say to members of the committee that we did have an agenda that was established and I think it would be wise for us to refer this to the subcommittee and then perhaps have a period of time at some point in the future on our agenda to discuss this in more detail.

Mr Murphy: I think, Mr Chair, I already indicated I was amenable to that suggestion as the mover of the motion, so I'm more than happy to have that occur so we can have the debate on the basis of sufficient information and proceed to go on that basis. I'd be happy to do that.

Mrs Marland: Well, can I just say—

The Chair: On this point, Mr Farnan?

Mr Farnan: On this point, Mr Chair. We've had comment from the Liberal and Conservatives. I would suggest that you take comment from the government member and then put it to the subcommittee, so we're all on the record.

The Chair: I'm going to do that. I don't mean to cut anybody off, but in the interests of saving some time—

Mrs Marland: I'll just finish, then.

The Chair: Could you just finish, and then I'll turn to Mr Farnan.

Mrs Marland: I'll just finish that I hope we will not lose sight of the responsibility of the committee and the purpose of the committee. As far as I'm concerned, when matters are referred to legislative committees, generally it's for public input, and when we decide that we can't afford to have any money in a budget to make that committee available to the public in the north, west and eastern parts of this province and that everything revolves around the greater Toronto area, then I think we are doing a disservice to the public because we're shutting them out from what is going on at Queen's Park. This is a public process, and in order for it to be available to the public, we have to be prepared to spend

some money taking committee hearings, when necessary, to other parts of the province.

The Chair: I'm going to allow Mr Farnan to have a say and then Ms Poole and then we'll come back to Mr Murphy's original motion for discussion.

Mr Farnan: I would have thought, Mr Chair, that this would wrap up the debate, one comment from each section, without starting another round with Ms Poole, because it will just snowball. My advice at this stage—

Ms Poole: Mr Chair, I was the first one on the list, and the Chair heard—

Mr Farnan: But having said that, you must—

The Chair: Order, please. Can I just say this, please? I'm in the chair. I'm going to take a reasonable approach to the order of speakers on the list. I try to keep it balanced. I'm going to allow a round of discussion on this and then we're going to move on, if the committee wishes. If not, we can continue to discuss this and I'll continue to take speakers on that list. I think it's a reasonable approach to have the subcommittee look at this matter, but if members do not agree with me, we can continue to discuss the matter. Mr Farnan, would you please continue.

1040

Mr Farnan: Mr Murphy raises the issue of restraint. Let me just say that I am delighted; I'm thrilled. It's novel to find a Liberal member of the assembly looking at the concept of restraint. It sort of gives me hope—

Mr Murphy: Your committee members voted against this motion in justice committee. I'm glad to see you're on side.

Mr Winninger: We supported your motion.

Mr Farnan: —that the Premier's and the government's message is getting out.

The Chair: Order.

Mr Farnan: It strikes me almost as equivalent to St Paul on the road to Damascus: a great change of heart, a realization, a new vision and just a clarity of opening up that there is a world out there where restraint is a reality. I welcome Mr Murphy and the Liberal Party to the real world, the world my colleagues in the Conservative Party and ourselves have recognized for some time.

Mr Tilson: Don't drag us down.

Mr Murphy: I'm glad to see the NDP and Conservatives are aligned. It's a beautiful marriage; it really is.

Mr Farnan: Having said that, let me say that of course it is incumbent on all of us to be cost-effective, but Margaret makes a very good point: It's also incumbent upon us to do our job.

So, yes, budgets must be looked at very carefully. There must be every effort made to reduce any fat that is in the budget, but not to sacrifice the job we're here to do, and that is to listen to the public, the people of Ontario. That means not Toronto; it means all of Ontario.

So there is a balance that has to be drawn and, of course, this is precisely what this government is attempting to do: to be cost-effective, but to maintain services. So, yes, we would support some examination of the budget with an effort to reduce, while at the same time maintaining a quality level of service.

A little bit of personal advice to the member, Mr Murphy: If he has problems with the per diem, he personally does not have to apply to accept the per diem. This is something that is there; it's part of a member's remuneration. If, indeed, Mr Murphy has a problem with receiving that, donating that to a charity has been a case and some members have chosen that; it's an option for Mr Murphy.

The Chair: Ms Poole, you have the final say on this.

Ms Poole: First of all, I might say that the member for Cambridge has very conveniently—

Mr Farnan: Mr Chair, I don't understand. Are we going to—my colleagues are going to want to debate this if you want to introduce another round.

Mr Winninger: We do have a majority on this committee.

The Chair: Order, please.

Mr Winninger: Why would we hear from two Liberal speakers, a Conservative and one government member?

The Chair: You're welcome to challenge the Chair's rule.

Mr Farnan: I move that we move on.

Mr Winninger: A round is one from each side, not two from one side and one from each of the others.

Ms Poole: He introduced the motion and we have one speaker from each side.

The Chair: Order, please. Ms Poole has the floor. If you would like to challenge my ruling, you can do that and I will step aside.

Mr Farnan: I'll move a motion that we move on with the business of the committee for this morning. We've heard from every group.

Mr Winninger: I second the motion.

The Chair: There's a motion on the floor we have to deal with. Does the motion carry?

Mrs Marland: Which motion?

The Chair: Mr Farnan moved that we end the business.

Ms Poole: Mr Chair, can he move a motion after you've recognized a speaker? Does he not have to have the floor, which he did not have?

The Chair: Ms Poole, there's a motion on the floor. We have to deal with the motion. The motion's moved,

there's a vote; we have to take a vote. All in favour of Mr Farnan's motion? Those opposed? The motion carries.

Ms Poole: Point of order, Mr Chair: There has been misinformation put before the committee today. I have served on the public accounts committee for a total of three years, both in opposition and in government and have been Vice-Chair before, and I have never seen the public accounts committee go across the province in public hearings. That is not a function of the public accounts committee.

If committee members wish to discuss that as a separate topic, that is fine.

Mr Tilson: She's out of order, Mr Chairman.

Ms Poole: The travel referred to in this particular budget would be travel of the committee to seek information from experts in the field.

The Chair: Order. I'm going to call a five-minute recess to, I think, allow everyone to reflect on the issue at hand. We'll return in five minutes. Thank you very much. We're adjourned.

The committee recessed at 1046 and resumed at 1052.

The Chair: Order, members of the public accounts committee. I call members to order. We shall resume with this morning's meeting and continue with the matter before us on the agenda. I'd like to call on Mr Wyszkowski, who is here to help us understand the project on smart cards in Kenora. Welcome to the committee, Mr Wyszkowski. Would you like to introduce the person with you this morning.

Mr Andrew Wyszkowski: Yes. This is Brian Aitken. He's manager within the systems development branch of the Ministry of Health and he's the gentleman I work for on this project.

The Chair: Welcome to the committee.

Mr Tilson: Mr Aitken, what's your position with the Ministry of Health?

Mr Brian Aitken: I'm a project manager in the information systems division.

Mr Wyszkowski: Honourable members and ladies and gentlemen, it's my pleasure to be here to assist you in any way I can, and I'll be guided by the Chair as to how to respond.

The Chair: Thank you. If you want to make any statements or opening remarks or comment on anything before us, you can at this point.

Mr Wyszkowski: Let me very briefly simply introduce myself: Andrew Wyszkowski. I'm a management consultant specializing in informatics or the use of computer technology. I have more than 25 years of direct experience in systems design, software and hardware, and applications in various fields including health, finance and manufacturing.

I've been associated with the Ministry of Health on a variety of projects since the fall of 1989. I was involved in the initial development of this encounter card pilot concept and subsequently came back in the middle of 1992 to assist Brian Aitken in completing the pilot.

The pilot project was conceived in 1989 as one of a number of initiatives by the ministry to improve the information systems, the quality of information, throughout the health care segment. Over the years, due to various reasons—funding was one of them, but other understandings of what were the priorities—some of these activities were not followed through. So the pilot had a much more ambitious role initially as seen four years ago than ultimately was carried through.

The pilot was just ended at the end of February and I noted that some of the honourable members are interested in seeing the report. I will comment now that the report is a little late. I'm partly involved in it. There's another outside evaluator involved. So the ministry has not yet received the draft reports. Those should be there within the next week or two. I think the committee might expect to see something by the end of May.

The Chair: Anything further to add? If that concludes your remarks—

Mr Wyszkowski: Well, I know your interest is in the smart card, so I'd like the honourable members to sort of put forward the kind of questions you like. I'll respond to anything at all.

The Chair: Okay. I have Mr Frankford on the list first.

Mr Frankford: If I could perhaps ask for a bit of clarification first, Mr Chair, because in some ways I wonder why this committee has this particular witness. Isn't the mandate of the committee to be reviewing public accounts? This seems to have moved off on a bit of a tangent. If we're talking about smart cards, this is not something that is—

Mr Tilson: Are you kidding? The health card system is in a shambles.

The Chair: Order, please.

Mr Frankford: If I can respond to Mr Tilson's comment, are we to look at ways of improving the organization of the health care system, which interests me very greatly, or are we looking at smart cards? Are we discussing whether they're a good or a bad idea?

The Chair: Perhaps I can answer then and turn to the auditor as well. He would like to add some comment.

Mr Tilson: Mr Chairman, on a point of order: I know we've read the material. I still think it would be useful, before we get into specific questions, that Mr Wyszkowski give a brief presentation on what the smart card is and the pros and the cons. I know we've read the material, but I think it would just be helpful in his

own words to tell us what his observations are on the smart card.

The Chair: We can certainly do that.

Mr Tilson: Before we get into questions.

The Chair: Absolutely. We can do that.

Mr Frankford: Could I have a response to my point first?

The Chair: Can I answer Mr Frankford's query and then move on to do just that?

Mrs Marland: Is it Dr Frankford and are you a physician or a PhD?

Mr Frankford: I'm a medical doctor in family practice.

Mrs Marland: And are you practising now?

Mr Frankford: No.

Mrs Marland: I was wondering whether he was coming from that background. That's all I wondered.

The Chair: I'm so glad we were able to straighten that out on the record. I'm going to continue calling you Mr Frankford, unless you wish for me to call you Dr Frankford.

Mr Frankford: As you wish. I'm used to being called Mr Frankford in my legislative role and I have no problem with that.

The Chair: Okay. Dr Frankford.

Mrs Marland: Who knows about OHIP billing, right?

The Chair: Can I just say this to that question? There really isn't a boundary in terms of what we can look at on this committee as long as it entails the expenditure of funds by the government and the efficacy of those expenditures. Really that's the mandate of this committee. So something like the smart card certainly falls within those boundaries, because it does entail the expenditure of funds to gain better efficiencies.

The auditor wanted to comment briefly on that.

1100

Mr Peters: Just a very quick one too for the new members to get into a little bit of background, because some of the members were not here when we were discussing chapter 310 of my predecessor's report.

Just very quickly, the cards became an issue very simply that at the time of the OHIP numbers there were some 27 million cards outstanding for 10 million Ontarians and we dealt with the new health card issue. In the process of following up on the report, we found that again there are more cards issued already under the new system than there are Ontarians. One of the questions that arose in the committee is what steps are being taken to deal with this particular issue, and in response to that question, there was a response from the ministry advising that they had conducted an experiment with a new kind of card that did a lot of things, but among them might have also some bearing on the question as to how we cope with unauthorized cards that are out there. So I just wanted to put this on the table as part of the background and to answer your questions, to help you.

The Chair: Mr Tilson, your point of order, perhaps I could turn to Mr Wyszkowski. Would you further comment on the technology behind the smart card? I believe that's what was being asked of you by Mr Tilson.

Mr Frankford: Mr Chair, can I still have the floor?

The Chair: Dr Frankford.

Mr Frankford: Could I just ask that I continue to have the floor after this presentation?

Mr Tilson: Are you kidding? You wait your turn.

The Chair: Well, I'm going to take a list of speakers.

Mr Frankford: Well, I had the floor and I asked for clarification.

Mr Tilson: Well, you lost it.

Mr Frankford: No, I just—

The Chair: Order, please. When we entertain questions on the next sequence, I will rotate the order in terms of party caucuses and will proceed in that fashion. We have done so in the past and I wish to continue to do that, unless the members have difficulty with that. We're going to rotate questions. Is that fair? We have approximately an hour left and I'll try to divide the time up equally between the caucuses. Mr Wyszkowski.

Mr Wyszkowski: As the auditor pointed out, the issuance of a card gives the appearance of controlled access, so a card allows you to identify yourself to a health care provider and receive services.

But it's just a piece of plastic; in our case, we have a magnetic stripe on it which has some information, but it's not currently being used. So in terms of access control, people have wondered: How do we make it more secure? Technical people have devised a device such as this, which is a plastic card with a computer chip where that little gold spot is. The computer chip is a fully operational computer which can be programmed and it has built-in security features so that in this form on the card it demands information that will assure it that access is authorized. If it isn't, it has a means of shutting things off and, in the worst case, just causing a lockout so that the computer then becomes inoperable. That's one aspect of a controlled computer within a card which is a direct size, as our present health card.

Now, that's one reason that a smart card is used, but because there is a computer and there is storage on it, besides being able to retain personal information about you and me—who I am and why I am entitled to use this card—it has additional capacity to retain information. So, in view of the fact that the delivery of health

care is very information-intensive and that all providers, besides securing your identification, need to know more about your history and recent occurrences, drug therapy etc, the possibility of recording some small, representative medical profile on the card is attractive.

The fact that this is a computer that has built-in security and can be made secure in various ways, such as requiring an input of a personal identifier number like on a bank card—in fact, the smart cards can be used to store a photo of you on the card. A small amount of the space is stored for a photo so that when the card is activated a photo comes up and identifies you.

Other countries, for instance in Europe where smart cards are starting to be used, have a fingerprint option so that you use the card: You insert it into a reading device and you stick your finger into another reading device. That checks whether the fingerprint that it read out corresponds with the one that's on the card. It's a control mechanism, from that perspective.

In addition, because this is a computer access storage device, this idea of a personal portable health record which can be taken by a patient anywhere he or she goes, and the information shared among providers, again is attractive to people in the health care arena.

The idea of a card that quite accurately identifies you and also has your medical health record was attractive.

Since we're using plastic cards—and we now have the magnetic stripe on the cards and that can be used—the thought was that some time in the future, as the cycle of card usage progresses, a smart card could be employed to assist the quality of health care information by retaining a personal portable health record, as well as being a positive control device.

That's the basic interest in the technology. The technology is quite diversified. I mean by that there are a number of card manufacturers and they have different standards and different devices on them, so even though this looks like they're all the same, they're all slightly different. They require different card readers to read them, different support technology. This is still a developing field.

Some wags have identified the smart card as a technology in search of an application. However, because it has these control aspects and recording aspects associated with it, it has been an irresistible type of technology to look at. In 1990, the deputy ministers of health of Canada organized a conference on the personal portable health record in Winnipeg, and I was involved on behalf of Ontario in organizing it. One hundred people from various governments met to discuss these various issues and they all were quite interested in what a card could do.

Of course, there very quickly came questions: What are the costs of such a technology, and what about the standardization of data and confidentiality? What are the issues of retaining data, and would consumers be able to say no or yes etc? A lot of policy issues are behind that, and all governments are keenly interested, as well as, of course, the Ministry of Health in Ontario.

There is a need to understand this technology so that it doesn't creep up on the health care field and insinuate itself inappropriately, and that's part of the reason for conducting a pilot, to be able to understand some of the issues that are behind it.

I might just finish off by saying that at that 1990 symposium, which was for government planners only—there were no outside vendors or private sector people represented; there were a number of medical practitioners involved and also pharmacists—the fundamental underlying issue was that the health care field needs automation badly, and information has to be used more effectively and more efficiently and has to be shared and made more available, but one of the last things that needs to be done in the short term is to introduce a card. A lot of infrastructural work has yet to be done.

Again, the pilot itself was not looking at the technology, it wasn't saying, "Which card is the best card?" or "Which one runs better?" We were looking also at many of the infrastructural issues, compliance among consumers, how the health care professionals react to it, what are the issues involved with data standardization and so on.

1110

The Chair: I'm going to allow a 10-minute round for each caucus. We shall start with the official opposition and move on to the third party and then the government.

Ms Poole: Mr Chair, perhaps you wouldn't mind just telling me when five minutes expires, because I think Mr Murphy also has some questions.

The Chair: Yes.

Ms Poole: When we were looking through the background information, there was a reference to a Green Shield project, which was in North Bay.

Mr Wyszkowski: Yes.

Ms Poole: Then there are other references to a Kenora pilot project.

Mr Wyszkowski: I think that the Kenora pilot is actually the Fort Frances pilot, which we conducted. Kenora is the seat for the district health council, which includes Fort Frances, but our pilot did not include Kenora.

Ms Poole: Okay, so there's a North Bay pilot project and then there's a Fort Frances pilot project.

Mr Wyszkowski: Yes.

Ms Poole: Could you tell us some of the differences

in what those two pilot projects were looking at and in their conclusions.

Mr Wyszkowski: The North Bay pilot was a private sector initiative by Green Shield, and they were looking at improving the veterans' health care administration, so the pilot was conducted among veterans. There were 514 members enrolled. It included all the pharmacies in North Bay, which I believe were 16. The card at that time, because this was done in 1985-86, had a very small capacity; it could only retain a small amount of information. It was used to maintain a drug profile of each of the patients so that the pharmacist could read the card, see what drugs the patient was using and then be able to look out for drug interactions or advise them appropriately if there was any change of therapy suggested or not.

The findings of that particular pilot were that veterans are very disciplined people and they like to carry a card; they seldom were without it. They enjoyed having access to even a drug record. There was one not startling but intriguing finding, but it wasn't substantiated by clinical facts. There was an implication that with the use of the card and the knowledge of your drug therapy, there seemed to be a reduction in utilization of prescriptions, but that was very well qualified by the evaluators, who said that this appeared but there was nothing to be able to really prove it.

That pilot was conducted, as I said, by Green Shield in order for them to assess whether they could use such a card for some of their health plans, third-party drug plans.

Our pilot was started, as you know, in July 1992, and in November 1992 Green Shield started another pilot. This is called the Essex pilot. It's run in the Windsor area. It involves a group of 10,000 municipal employees, and it's again focused on the drug plan data. They're using a more modern, up-to-date card and they again are working towards determining whether they could use this to make their plan administration more effective and also save money by perhaps reduction in utilization.

Ms Poole: If I could just interrupt for one second, would either of these two particular projects you've been describing have used any type of identification mechanism on the smart card, either the photo that you mentioned or fingerprint or anything else?

Mr Wyszkowski: No.

Ms Poole: This was strictly to monitor the medication and prescription bills.

Mr Wyszkowski: That's right, but they are using protection. There's name, date of birth and the usual biographical information being used, but none of the more advanced types of techniques.

The Chair: Ms Poole, your five minutes are up.

Mr Murphy: I was wondering, how much information can you put on one of these smart cards? I'm thinking that obviously there's a use for monitoring drug use, with the possible application, I assume, to the use of drugs under the drug benefit plan, some medical profile, obviously the sort of information on the use-control aspect. Can all of these functions be accommodated on the one card?

Mr Wyszkowski: Yes. The card that we use in our tests is one of the most advanced. It has an 8,000-character storage capacity; that is, 8,000 letters, more or less. We use that. Using various coding schemes, we could put in quite a lot of information. Besides the biographical information, we were able to provide family history, up to 10 different incidents. We could store 20 medications. We could store a very large number of tests. We could indicate what tests were taken and when. We did not keep—we didn't have the results, but it would be a pointer that yes, last week you had these and these tests. We stored blood type, allergies, drug interactions, and we could store up to 40 server interactions, or encounters, as we call them; hence the encounter card name. So we were able to pack in quite a lot.

Of course, it's not uncommon that you run a lot of encounters if you're quite ill. Then we had a scheme where the physician or provider could determine what rolls off the card and what stays on.

Mr Murphy: A couple of other questions: One is, can it, in that context, be used, for example, to monitor the frequency of going to different doctors for the same prescription?

Mr Wyszkowski: Yes, it could, of course. We had to set up a matrix of who could look at what, and that's certainly one of the important issues in any consideration of implementing on a broader scale. All the stakeholders, all the health care providers, would have to be involved. In our pilot, we had agreement that the doctors could look at anything, so any doctor could look at all the data on the card. We had comments from consumers who sometimes said, "I don't want that doctor to know that I'm going to this doctor," but in this case it's too bad. Of course, the pharmacist could look at drugs and drug allergies and sensitivities, and that's it. So I can say that, looking at a card, providers would be restricted to their compartments of information.

The Ministry of Health was not entitled to look at the card data itself. Appropriate card information, which would be the same as required for claims payments today, was collected at the workstation when the card was updated, and if the card was updated and permission was given by the patient to do so, then the abbreviated information for the Ministry of Health was collected and then sent over. Then we could look at that in the same way that we look now at claims.

Mr Murphy: Because you can carry a medical

profile, I assume you have a sort of Medic Alert—I guess that's a brand name, but that kind of function. I'm wondering, are there portable readers, for example, that emergency health care providers could have, and how much does that unit cost?

Mr Wyszkowski: This is a prototype. It's Canadian-made. It was made three years ago. It doesn't work, so I can't demonstrate it but—

Mr Murphy: I hope that's not a reflection on where it was made.

Mr Wyszkowski: —it reads like this: You just stick it in and read it. I was told that this could be produced in large numbers for $200.

Mr Murphy: That's obviously portable. There are larger ones?

Mr Wyszkowski: Yes, there are larger, clunkier ones.

Mr Murphy: How much are those? Would that small reader be able to get all the information?

Mr Wyszkowski: This would be a little slow. It could get everything, but slowly, because it's got only a little screen for about 15 characters. The readers we used had a retail value of $1,500 each, but that was because it's old technology, and actually we didn't have to buy them, thanks to Toshiba; they lent them for the duration of the pilot.

The banks are doing a lot of smart-card testing and one company which produced about 400 card readers specially for the Royal Bank said it could make them for about $400 or $500 each. This is here in Canada again. So if you get larger volumes, the costs come down.

1120

Mr Tilson: I'm just thinking of the irony that you're producing something that doesn't work, because that's the problem we've had, of course, with the existing system. That relates to my first question. How does one get a card? How would you propose that a resident or a citizen of Ontario get a card? Because the problem with the current health card system, as you know, is that the application was based on the existing OHIP numbers. The difficulty was that there was a tremendous number of illegal OHIP numbers out there. In fact, that's why the new health card system was created, to do away with the previous system that was not satisfactory. There were holes in the system. I guess that leads to my first question: How do you start this system?

Mr Wyszkowski: You might not like my answer, but let me qualify this because I'm the system and technology adviser to the ministry staff. As a consequence, I can't comment on the policy issues that are behind dealing with the system and the controls etc.

What I would say, though, is that when a system for distributing cards and personal identification would go into place with such a card, you have to provide a fair amount of information, and you also have to get a medical profile from your doctor. So the combination of tying those together with the appropriate procedures and safeguards would be a process which would be a little more time-consuming, but certainly far more effective in controlling the access.

Mr Tilson: I think that's been the problem with our whole health system. It's been too easy to have access to it. If you're going to get a card, any sort of card, you're going to have to proceed when there are very rigorous standards to get that card, and that's why this existing system has failed.

I guess that leads to the next question, and you have partially answered it by putting a finger on a machine or a photo image on the chip, and I understand these can do wonderful things but at great cost, perhaps. That leads to my second question: What happens if the card is lost or stolen or there is some fraudulent activity, if someone lends their card to their friend from England to use medical services here? How would the smart card do away with all that activity?

Mr Wyszkowski: Assuming that there is a system in place supporting it, it depends how smart the card is made. As I pointed out, it might have a photo or fingerprint and that would be very difficult to override. If it was based on only a personal identification number like a bank card, a four-digit number, and somebody passes it on, then it's feasible that at some health service centre that could provide access to inappropriate services.

However, it certainly would be no worse than having one of the fraudulent cards out there now. In terms of control, the controls would be much greater, and if the ministry felt such a system was effective and worthwhile, then by virtue of the commitment, the investment, it would also institute those rigorous procedures you're likely looking for.

Mr Tilson: In your comments on Mr Murphy's questions, the issue of confidentiality, obviously, with medical records is most crucial, and with this equipment—I go back to the incident a year or so ago, and perhaps other members can assist me. I seem to recall there was a great problem with the registrar general where—I can't remember whether it was birth certificates or some sort of certificates that came out of the registrar general's office—there was a certain amount of illegal activity by staff. Subsequently, there were criminal charges laid, and I don't even know where those have gone.

On the issue of confidentiality, an individual's medical records now are going to go out of the doctor's office; they're going to be out of the doctor's office. Normally, today, they're in the doctor's office, albeit perhaps in a hospital, but that confidentiality is with the doctor.

With the smart card, as you speak of it, in your response to Mr Murphy's question as to how much you can put on these little chips, you can put an unbelievable amount of information on these chips. I guess the fear would be that a whole slew of people are now going to have access beyond the doctor, whether it be staff at the ministry, staff at OHIP, staff at the hospital, or who knows where this information's going to go.

In your pilot project, can you elaborate on that issue of confidentiality as to what some of your findings are?

Mr Wyszkowski: First of all, we had a two-card system: The patient had a red card and the doctor or any health care provider had a white card. Both cards had to be present in order for the patient card to be read. A card could only be read with an authorized provider card, and the provider card was secured by a personal identification number. A doctor or nurse or optometrist had to put in their card, put in their code at the appropriate work station and then be able to read and update the patient card.

Access to the portions of the patient card were maintained by the matrix of who's allowed where. In this case, we had a fairly simple list, 58 different providers, and they had different access possibilities of getting at the information, with the proviso that the physician have access to all the card, and that was the understanding we had with the pilot group.

Mr Tilson: What about the person at the other end, the group of people that has this master source of information? What about that issue of confidentiality?

Mr Wyszkowski: The way we arranged it was that the medical record is on the card and in the physician's office, in his or her computer. The ministry only got claims information, which was peeled off and sent in without the health number, so it was a transformed health number. It was an individual record but it couldn't be traced to an individual person, and it had some of the information in terms of what the service was, who the provider was, when it was done and what the diagnosis was.

There were 10 pieces of information that were sent for each encounter, but all the medical information was retained on here and in the physician's office, and the physician's office, of course, has the full record growing. This maintains a certain window on the record and it rolls over after a year or more; you know, things will roll over. It's a window on your current activity plus your family history and allergies and sensitivities.

1130

Mr Tilson: I guess, sir, I have a little concern. I think I'm understanding what you're saying. Obviously, today the doctor has all the information.

Mr Wyszkowski: Yes.

Mr Tilson: But it just seems to me that the government, that terrible word "Big Brother," is now going to have more and more information about individuals. I understand your ways of protecting it, but I'm concerned about how foolproof those methods are, that someone can get access to the medical records of a great many people.

Mr Wyszkowski: Exactly, and of course there are other people who share the same concern. The privacy commissioner has these concerns. He has developed a report on the points that have to be maintained with respect to health cards and smart cards. That's one of the very important issues that would have to be well debated, well discussed, by a whole host of stakeholders before the ministry would consider such a system. It's not an immediate issue.

But let me return, just to reassure you, what's on this card is very difficult to read. As you know, it's not impossible to read but, at the very worst, if you get a card and some find a way of breaking in, you have only one card.

The Chair: I hate to interrupt, but we've run out of time for that question. We'll move on to Mr Frankford, who now has the floor.

Mr Frankford: First of all, I don't know if you're the right person to ask, but could I request that the committee get the budgets and the actual expenditures on the Fort Frances project to this date?

The Chair: We can certainly request that as a committee, if that's the committee's desire, yes.

Mr Frankford: I think if we're talking about the costs of cards, then that would be very useful, so I'd request that.

The Chair: We are to make that request. I don't know if the auditor can shed any light on that but—

Mr Peters: No, I can't. That's a good request.

The Chair: Okay, we can do that.

Mr Frankford: Secondly—I would like to spend a long time on this because I have interest and experience in computers in health care—it really seems to me that this is a solution in search of a problem. There are various aspects—perhaps if I can just address Mr Tilson's last point about the confidentiality and the ministry having a big database. I believe that is what is happening right now, independent of the smart cards. The health cards, which have been established, I think potentially can do exactly that. The ministry has a database of all those encounters, so I don't really see that the card makes any difference to that per se.

If one is talking about individuals carrying around their records in an electronic form, let me suggest that there is a far easier way of doing it without investment in new technology which would be to—I could give that to a patient on a three-and-a-half-inch floppy. Why not? This wouldn't require any new investment and it could be used on the computers which are being used in doctors' offices right now. It seems to me that this is

very much driven by technology enthusiasts who see that one can miniaturize things, but why not look for something cheaper using commonplace technology?

The question is raised around who gets to read it. Well, there is an interesting debate about patient-held records, whether the patients should actually read their own records. I think this is well worth considering. I have not heard this discussed here.

Let me give you an example. As I understand, the capacity on the cards is really low. It sounds good but in some ways it's really very limited. Let me give you an example of something which is commonplace which is very important for health care which is the Ontario ante-natal record. It seems to me that this should be turned into an electronic form.

Mr Tilson: I'm sorry, the—

Mr Frankford: Ante-natal record. There is a standard form in which all the information, the basic patient's health information, family history, risk factors, blood group and record of each visit is put on to a paper form. I think that this would be extraordinary helpful, if this could be turned into an electronic form. It would be more legible, one could do studies, one could strip off the identifier and do some really useful epidemiological studies. I don't see that you even have the capacity of doing that on this one.

I'm still puzzled as to what is being achieved here. I've read the Green Shield study and I really don't see what has been achieved there. It really says it was acceptable to 500 veterans to carry a card around with it. So what? Maybe some of that is the Hawthorne effect where people feel better if they're being studied. It's not part of any sort of broader plan about health care reform that I can see.

This study was done several years ago. It is not something which has become standard procedure. So where is it going? I'm really afraid that we're dealing with something which is very attractive to administrators and consultants and people who are convinced that there are technological solutions, which I don't deny, but I think that there are also much more basic grassroots technological solutions I've mentioned in one particular area. Then again, I'm really not quite clear why this committee is discussing this, much as I would love to discuss health care reform. Any comments?

Mr Wyszkowski: Just a few. One of them, of course, is that I think your concerns about finding the most effective cost and time-wise procedure is something that is pursued by many management people within a ministry. I'm here as one of those "techies, " right? So I'm focusing on a particular project and obviously I've been pursuing it in order to provide the best results there.

There will be people who will ask those questions, who will examine to see whether there are pros and cons. On a broader scale, across North America, across the world in fact, there's a lot of debate about it. As I did mention, there are people who view this as being a technology that wants to insinuate itself into the situation.

There are, however, some interesting side benefits because we do use the symbolic things as cards for identification and access control etc, so it has one aspect of access control. There are aspects of health care reform associated with it, which I'll just mention a few.

One is consumer empowerment. The fact that you create a personal portable health record and you then empower the consumer to say yes or no and interact with the health care system—

Mr Frankford: Yes, but the consumer cannot read it himself or herself.

Mr Wyszkowski: No, but, in the case of the pilot, we had view stations where people could go in and under the pilot conditions we had—

Mr Frankford: But you'd admit that a 3.5-inch floppy in ASCII can be—

Mr Wyszkowski: Of course, that's right. It presents other issues, control issues, but that's fine. You're quite right. Someone will be measuring these things, but because there is a strong enough pressure, not just caused by me—that would be too flattering—but by lots of people throughout the world for dealing with cards, then the responsible ministries and government agencies are looking at: What does it represent in terms of policy issues? What are the cost issues of course? Is it something that we need to go in?

In every jurisdiction there's legislation about personal information and other things. So in some jurisdictions a card would never work. In other jurisdictions a card will work beautifully, particularly in a dictatorial-type of environment. They love it. So throughout the world you have different agendas for it.

Now I will say quickly that it's picking up steam in Europe and peaceful democratic people like Austria, Sweden, Italy, Spain are going towards cards in spite of the issues that you've raised. I'm not saying they'll necessarily go, but there is reason to look at it and what the possible implications are. That's why we got involved in the pilot. There's no suggestion that we're going to go rushing off and doing it.

1140

Mr Frankford: Let me get back to one of Mr Tilson's points about entering the data, a very valid point. It's easy for the people who plan this to say, "Okay, we'll just get doctors to enter everyone's history." I quite agree that is a major concern. I like using computers, but a standard practice could be 2,000 individuals. Am I going to have the time to do that? Again, why not do this using bread-and-butter microcomputers, PCs or Macs?

This is something which could be implemented in a gradual fashion. The medical organizations might encourage people to gradually get their data into it. I would think starting with prescriptions, which makes a lot of sense if one is going to have direct linkages from physicians to pharmacists, this could happen.

It almost seems we start off with the North Bay one, which is 600 people, and ostensibly somebody, I imagine, thinks that it worked. I don't think it did. Then you move to Fort Frances, which is a rather larger population, and then there's some belief that this is all just technological inevitability. In two more years you'll do Metro Toronto and then the entire province. I just do not see the practicality of doing this.

Have you worked out how you're going to pay doctors? This could be a wonderful windfall if every doctor gets paid for a visit to enter everyone's data.

Mr Wyszkowski: You obviously see into many of the issues that we wrestled with, yes.

Mr Tilson: Don't worry about it. Your government is going to do away with doctors.

The Chair: We have run out of time for that round of questioning. Are there any further questions? We do have a little bit of time left. Any more interest? Mr Tilson, do you have any more questions?

Mr Tilson: I don't, no.

The Chair: I'll take note of Ms Poole. I just want to see if there's another round that's needed, or we'll do it on an individual basis. Ms Poole, you can ask another question.

Mr Tilson: Just that I think the question about the cost is perhaps the most important question of all. I think we'd all be interested in seeing that report in due course.

Ms Poole: I'd like to follow up on some questions about identification of the holder of the card. Back when they did the audit in I think it was 1987, the problem was they had something like 25 participants on the claim files and the population of Ontario at that time was 10 million, so there was obviously a real necessity to get a new card system out.

But the card system that has been implemented has not carried, in my mind at least, sufficient identification to prevent selling of the cards, duplication of the cards and problems where the cards are so accessible that the control that needs to be there isn't there. The technology that you've been talking about would certainly appear to remedy that.

My questions are, you've mentioned two specific further things you could do for identification. One is a photo and one is fingerprints. The machines that you've developed, both the portable reader and the full-fledged reader, would they, for instance, be able to do a fingerprint match?

Mr Wyszkowski: No. They could do the photo thing, because a photo is just a digital thing that comes up on the screen. There are fingerprint-reading devices, but we didn't go into the whole range of security items. It remains an issue that can be checked out, but we used, as I mentioned, simply the personal information number by the physician. We even did away with the necessity of the patients having to put in their own PIN, recognizing that this is a very difficult thing for people to remember consistently and to manage well, especially on a short-term basis.

Ms Poole: I see the system that you've developed in the pilot projects as being extremely advantageous as far as being able to let doctors and pharmacists and clinics know the health history of the patients so that they can be properly prescribed and cut down on duplicate prescriptions and this type of thing. But I don't see that it's going to solve the other side of the problem, which is to control the expenditures and ensure that people aren't abusing and misusing the system. I wondered if you had investigated whether the technology is there to incorporate, for instance, the fingerprint-reading component to what you already have.

Mr Wyszkowski: The technology is there. We did not use it or investigate it. We are identifying that information for the decision-makers, both technical and policy, in terms of their own consideration.

Ms Poole: One final question: If you have any projected costs of what the difference would be, for instance, in utilizing the photo identification on the smart card as opposed to fingerprinting, judged on what's happened in other jurisdictions, if you could give us that type of information for the committee's use at the same time as you provide your project budgetary figures, I think that would be very helpful to us.

Mr Wyszkowski: We could make some ballpark estimates, yes.

Mr Tilson: About that question, I was interested in Dr Frankford's comments. It sounds like an awfully expensive procedure. I mean, add all this up. I imagine when we see your figures we're going to be shocked. Dr Frankford may be correct that it may be cost-prohibitive to do what you're trying to do.

Mr Wyszkowski: Yes.

Mr Tilson: Along with Mrs Poole, I don't know whether you're able to provide comparisons to other systems. It would be nice to have all this information on computer, but maybe it's cost-prohibitive, and the idea of a simple photo card that's renewed every year as far as identification is concerned—I don't know whether you are able in your experiment to compare what you've been looking into to other programs and whether that would be able to be reduced to paper so that we could compare not only the issue of cost but the issue of effectiveness.

Mr Wyszkowski: We haven't done that specifically, but I'm sure that this is in the ministry's interest to be—

Mr Tilson: I'm sure it is too.

Mr Wyszkowski: —able to see that before it even makes any serious consideration.

Mr Tilson: So you don't have anything yourself.

Mr Wyszkowski: No.

The Chair: The auditor has a few questions he would like to ask.

Mr Peters: I know your report is now coming out at the end of May, but can you presage for the sake of the committee basically which of the objectives you had set for this particular study were actually met and which were met successfully?

The second question that is still on my mind is because the entire question was raised really in connection with the eligibility of the person presenting the card for health services paid by the province of Ontario. Currently, we were pointing out to the ministry at the time that the current exposure is running potentially, using current figures, up to about half a billion dollars a year of ineligible use of health cards. Was there any benefit out of the study that may deal with this eligibility question?

Mr Wyszkowski: No. The eligibility issue was in fact not a specific objective of the pilot. It's there incidentally as part of the technology. But we were looking at the consumer compliance, the professional acceptance of the card and the collection of certain types of information beyond what claims information requires. We were looking at the type of enabling technology. In other words, how do we collect the information? Is it on line? Does every doctor have to do it directly? How do you collect it in a hospital? We wrestled with some of the options there and examined those.

The findings are more technical and procedural. I'd prefer to hold them for ministry management because I think it wouldn't add an awful lot for this committee. But I think Dr Frankford's comments are indicative of the kinds of issues that are there that we've examined, that we've run into ourselves. We can cite issues that develop.

The only point I could make is that this is not something that can happen rapidly, because even if the cost was very acceptable to everybody, which it won't be, the process is very dependent on the infrastructure and the involvement of all the stakeholders: consumers, health care providers, regulators and ministry.

It's a much bigger task, especially the data standardization. There are legal issues involved with what happens if pharmacies don't have the same drug number and there's a misinterpretation. There's a great variety of use of coding among practising physicians. Some use ICPC; some use the schedule of benefits; some use something else; others use the ICD-9. The whole coding issue is very, very important. It's going to take time.

Mr Peters: Just a second question: When you introduced yourself, you indicated that you were a consultant and that you had worked on organizing a conference of deputy ministers of Health across Canada in Winnipeg. Do you know of any other province that is addressing this question in some way?

Mr Wyszkowski: Yes. Quebec is running a two-year pilot, 10,000 cards in Chicoutimi, and it's being conducted by both the régie and Laval University. Theirs is a very interesting project, slightly different. We've been in touch, so they've picked up some of our ideas and they've skipped issues that we've already touched on and they're doing other things. That's the only province that's looking at it.

It might be interesting for you to note that in September when I met with representatives of all the provinces in Ottawa for a little meeting, Alberta is contemplating issuing a new plastic card. They weren't even sure they would put a magnetic stripe on it. They were just going to go with a card, a symbolic card, but they will put a stripe on it.

The Chair: I hate to end here. There's certainly a lot of interest in this area, but we do have to move on. I'd like to thank you this morning for attending and shedding some light on this area. I think we are scheduled to have some more meetings with regard to smart cards and the other technology that's available some time—I think it's June 3 that's scheduled on our agenda. But I would like to thank you for appearing this morning.

To members of the committee before we move on—Mr Tilson?

Mr Tilson: Just on that point, I think the meeting is scheduled for June 8, when a bank official is coming to talk about the bank cards—

The Chair: June 3.

Mr Tilson: —and it would be useful, if it's at all possible, for the committee members to have a copy of this report. It may not be possible by that time.

The Chair: We'll certainly try to do that. Before we do move on, thank you, Mr Wyszkowski and Mr Aitken.

SUBCOMMITTEE REPORT

The Chair: To members of the committee, we need one more housekeeping matter. We have to review the subcommittee report, and I need a motion to approve the subcommittee report to the committee. Everyone have a copy of that?

Ms Poole: I don't think I do, Mr Chair. Do you have an additional copy?

The Chair: I believe we do. Yes, the clerk will

make those available.

The subcommittee met last Thursday and we had come up with a draft agenda, which is also before you. Do I have a mover for that motion to accept and adopt the subcommittee report?

Mr Tilson: So moved.

The Chair: So moved, Mr Tilson. Carried? Carried.

Thank you, members of the committee.

We are adjourned until next Thursday. I would just like to also remind you that we're not meeting on the week of the 24th. That's constituency week. We're adjourned. Thank you.

The committee adjourned at 1154.

CONTENTS

Thursday 6 May 1993

Annual report, Provincial Auditor, 1992 . . . . . P-5
Ministry of Health P-5
Andrew Wyszkowski, consultant and leader, Kenora smart cards project
Brian Aitken, manager, smart cards project, systems development branch
Subcommittee report P-18

STANDING COMMITTEE ON PUBLIC ACCOUNTS

***Chair / Président:** Cordiano, Joseph (Lawrence L)
***Vice-Chair / Vice-Présidente:** Poole, Dianne (Eglinton L)
Callahan, Robert V. (Brampton South/-Sud L)
Duignan, Noel (Halton North/-Nord ND)
*Farnan, Mike (Cambridge ND)
*Frankford, Robert (Scarborough East/-Est ND)
*Hayes, Pat (Essex-Kent ND)
*Marland, Margaret (Mississauga South/-Sud PC)
*Murphy, Tim (St George-St David L)
O'Connor, Larry (Durham-York ND)
Perruzza, Anthony (Downsview ND)
*Tilson, David (Dufferin-Peel PC)

*In attendance / présents

Substitutions present / Membres remplaçants présents:
Wessenger, Paul (Simcoe Centre ND) for Mr O'Connor
Winninger, David (London South/-Sud ND) for Mr Duignan

Also taking part / Autres participants et participantes:
Peters, Erik, Provincial Auditor
McCarter, James A., executive director, ministry and agency audits, Office of the Provincial Auditor

Clerk / Greffière: Manikel, Tannis

Staff / Personnel: Smith, Cynthia, director, Legislative Research Service

CA2ON
XC21
-P72

Government Publications

P-3

ISSN 1180-4327

Legislative Assembly of Ontario

Third Session, 35th Parliament

Assemblée législative de l'Ontario

Troisième session, 35e législature

Official Report of Debates (Hansard)

Thursday 13 May 1993

Standing committee on public accounts

Annual report, Provincial Auditor, 1992

Journal des débats (Hansard)

Jeudi 13 mai 1993

Comité permanent des comptes publics

Rapport annuel de 1992 du vérificateur provincial

LIBRARY
NOV 1993
University of Toronto

Chair: Joseph Cordiano
Clerk: Tannis Manikel

Président : Joseph Cordiano
Greffière : Tannis Manikel

Published by the Legislative Assembly of Ontario
Director, Hansard Reporting Service: Don Cameron

Publié par l'Assemblée législative de l'Ontario
Directeur, Journal des débats : Don Cameron

Coat of arms

A new coat of arms appears on the cover of Hansard. Presented to the Legislative Assembly of Ontario by the Governor General on 26 April 1993, it emphasizes the distinctive character of the Assembly and distinguishes the Assembly's identity from that of the government. It was created at this time to mark the bicentennial of the First Parliament of Upper Canada and the centennial of the present Legislative Building. Further information may be obtained by calling 416-325-7500.

Table of contents

Table of contents for proceedings reported in this issue appears on the outside back cover, together with a list of committee members and others taking part.

Index inquiries

Reference to a cumulative index of previous issues may be obtained by calling the Hansard Reporting Service indexing staff at 416-325-7410 or 325-7411.

Subscriptions

Subscription information may be obtained from: Sessional Subscription Service, Publications Ontario, Ministry of Government Services, 50 Grosvenor Street, Toronto, Ontario, M7A 1N8. Phone 416-326-5310, 326-5311 or toll-free 1-800-668-9938.

Les Armoiries

Les nouvelles armoiries paraissent sur la couverture du Journal des débats. Présentées à l'Assemblée législative de l'Ontario par le gouverneur général le 26 avril 1993, elles soulignent le caractère distinct de l'Assemblée et mettent en valeur l'identité de l'Assemblée par rapport au gouvernement. Les armoiries ont été créées en ce moment pour marquer le bicentenaire du premier parlement du Haut-Canada et le centenaire du présent Édifice de l'Assemblée législative. De plus amples renseignements sont disponibles en composant le 416-325-7500.

Table des matières

La table des matières des séances rapportées dans ce numéro se trouve sur la couverture à l'arrière de ce fascicule, ainsi qu'une liste des membres du comité et d'autres personnes ayant participé.

Renseignements sur l'index

Il existe un index cumulatif des numéros précédents. Les renseignements qu'il contient sont à votre disposition par téléphone auprès des employés de l'index du Journal des débats au 416-325-7410 ou 325-7411.

Abonnements

Pour les abonnements, veuillez prendre contact avec le Service d'abonnement parlementaire, Publications Ontario, ministère des Services gouvernementaux, 50 rue Grosvenor, Toronto (Ontario) M7A 1N8. Par téléphone : 416-326-5310, 326-5311 ou, sans frais : 1-800-668-9938.

Hansard Reporting Service, 481 Legislative Building, Toronto, Ontario, M7A 1A2. Phone 416-325-7400. Fax 416-325-7430

STANDING COMMITTEE ON PUBLIC ACCOUNTS

Thursday 13 May 1993

The committee met at 1018 in room 228.

The Chair (Mr Joseph Cordiano): Order. Members of the standing committee on public accounts, we are going to be dealing with a number of matters this morning on our agenda. Mr Murphy is not here.

Mr Larry O'Connor (Durham-York): He was here.

The Chair: He was?

Mrs Margaret Marland (Mississauga South): His stuff is still here.

The Chair: Yes. As long as his stuff is here, we can reserve that first item on the agenda until Mr Murphy gets back.

INTERIM STATEMENTS

The Chair: Can we go on to number 2 on the agenda and deal with that first? I perhaps can turn to Ray for his advice on how to proceed with this.

Mr Ray McLellan: Following the hearings in January and February, legislative research was instructed by the committee to proceed to prepare four interim reports. The committee has since decided to change that title from interim report to interim statement. Maybe I could just take a minute and run through those four brief reports or statements.

Perhaps the first one we'll look at will be the registrar general's. In the case of the registrar general's statement, on page 1 we make reference to the standing committee's request for a special audit by the Office of the Provincial Auditor.

Mr Mike Farnan (Cambridge): I'm sorry, can you lead us through this in terms of the document? I just want to make sure that I'm following this correctly, so if you can identify the documents for us.

Mr McLellan: The document is entitled Interim Report on the Audit Report on the Office of the Registrar General and the report number is 0060. I believe the clerk's office has appended that to the back of this document. The document that I'm holding up right now says, "Meeting of Thursday, the 13th of May 1993." There are seven items listed on there and the fourth one deals with the interim report. It's clipped on to the back of that document. Hopefully we have that before us now.

The first one says "Registrar General," and on page 1 of this statement—two pages in length—what the committee asked legislative research to do was to—

Interjection.

The Chair: You don't have that?

Mrs Marland: Well, I have this complete package.

The Chair: Right. You have to go through that and find the one referring to the office of the registrar general. That's what we're dealing with first. Perhaps you can take us through that, Ray, since there's some interest in going through it.

Mr McLellan: I'll just briefly refer to this statement. The interim statement says as follows:

"The standing committee on public accounts instructed the Provincial Auditor to conduct a special audit of the office of the registrar general in June 1992 to include but not be limited to the following."

The Provincial Auditor's report addressed the bullet points outlined here, the processing of requests from the public etc. So those are the terms of reference for the auditor's report.

Then the next paragraphs say:

"In January 1993 the committee held hearings on the Provincial Auditor's report on the office of the registrar general.

"Prior to the committee's request for the special audit, the Provincial Auditor began an audit of the new imaging system in the office of the registrar general. The Provincial Auditor described the new imaging system as follows."

The thrust of the meeting and the decision at the end of the meeting was that the Hansard for the hearings would be our report and that we would await a subsequent report on the new imaging system by the Provincial Auditor. I've outlined the thrust of that report at the bottom of page 1, saying:

"During the period 1987 to 1990, the ministry studied and selected imaging technology. This technology was designed to increase service levels, transform the workplace and reorient the focus from paper to clients." That's the thrust of the new imaging system.

"According to the Provincial Auditor's report, the audit will focus on efficiency, cost-effectiveness and security of the new system. The results of the audit are to be reported in 1993."

I've been informed, in discussion with the Provincial Auditor's office, that this report will go to the registrar general's office, but it may not necessarily be reported in the 1993 annual report. So I think it may be appropriate for us to delete that second sentence on the top of page 2 saying, "The results of the audit are to be reported in 1993."

If the committee decides that it wants to look at that report, a motion could be passed for it to be brought

before the committee and to consider it.

And the final statement:

"The interim report of the standing committee on public accounts confirms that the committee has conducted a review of the audit report dated December 1993 on the office of the registrar general and that the committee will decide whether to address the audit report on the imaging system when it is released."

What happened on these four statements, the committee, rather than getting into lengthy reports, decided that Hansard would be the record, and if specific issues, for example, the imaging system, came to the fore and were outstanding and the committee felt they should be addressed, we made a note of those.

This is actually a change in our format from the past. In my time on the committee over the last number of years, we haven't done this before. But anyway, in the winter of this year, it was decided that we would follow this format.

If the committee is in agreement with deleting that second sentence on the top of page 2, the first paragraph, we can let that statement stand. This would be an exhibit, not a report of the committee. In other words, it's a public document but it's not a report to the House, so it wouldn't have the status of a report. It's more of a working document and a note for us if, say, in the future we may decide to pursue this report on the imaging system by the Provincial Auditor.

Mr Farnan: So we've deleted that sentence.

The Chair: There's some interest in this. I have Dianne Poole on the list first.

Ms Dianne Poole (Eglinton): I just had a question regarding the last paragraph. I wasn't on the committee at the time this audit and report were discussed, but is there another date, other than December 19, 1993, that would be accurate? Would that be December 19, 1992, perhaps?

Mr McLellan: You're right. Sorry. Thanks very much, Ms Poole.

The Chair: Any other discussion, comments?

Mr Robert Frankford (Scarborough East): I would just like to make a comment, to state that I think this committee should be very much getting into an understanding and an ability to review technology. I have no objections whichever way this goes, but I would like to ensure that here or with other discussions we will get into a good audit of information technology systems.

The Chair: I think it was our intention to come back to this, so we're certainly not going to leave it behind.

I have just one comment that I'd like to make, if there are no other members wishing to discuss this matter. Perhaps it's not really within the realm of this, but I think we need to do a little further work in this area, because I personally am not convinced that we've seen the efficiencies that have been described to us. I have a personal example of the inefficiencies of the office and I continue to be bewildered a little as to the efficacy of the measures that have been taken.

I personally do not feel that these areas have been adequately resolved and I would like to come back at some point and see if those measures are now in fact working and if what we're recommending is being pursued. I would like to revisit this subject at the point in time when we hear from the auditor on the imaging system and then review some of the other items that, unfortunately, we thought we had resolved. I don't believe, as I say, from a personal point of view, that this is the case.

Mrs Marland: I support your suggestion.

The Chair: Thank you. We can probably move on to the next item.

Mr Erik Peters: Mr Chairman.

The Chair: Yes, the auditor has a point.

Mr Peters: I don't know how to bring up the point, but in the resolution we certainly are willing to report. Now, there are two mechanisms available to us to report to you on this basis. One is by including this in our annual report in December, if you wish to wait till then. The other alternative is to deal with section 16 of the Audit Act, under which you have the right, where it says, "The auditor shall examine into and report on any matter referred to him...in respect of the public accounts by a resolution of the committee."

I just wanted to present to you that you have an option here of either waiting for us to include it in the report or instructing us to do so, or we can report separately and especially to the committee on this matter. I just wondered what the wish of the committee is on this.

The Chair: If I may just comment on that, just before we go forward, we need some further clarification from the clerk, but I believe that what we initiated here was in fact under a section 16 motion to conduct a special audit of the office of the registrar general and therefore we are continuing to pursue that. If we want to revisit this in the form of a report that you give back to us, I think it just follows on the initial motion that we made, but I stand to be corrected.

1030

Mr Peters: Technically the first audit of the registrar general was conducted under section 17. But the imaging system which we brought to your attention that we were doing when you followed up on that section 17 audit was left a little bit up in the air as to what you wanted to do about our report on the imaging system. So that is what I'm seeking clarification on.

The Chair: I stand to be corrected then. As a result

of that, I think we can follow through with your advice.

Mr Peters: If you want to have it recorded too under section 16, I think that would be fine.

Interjection.

The Chair: Mr Farnan, do you have trouble following this? I'll try to clarify it for you.

Mr Farnan: I just want to get a handle on it so I understand where we're at. The sentence that we deleted, "The results of the audit are to be reported in 1993," is that separate from what you will be reporting in December? Is that a separate report or is it the same report?

Mr Peters: In a sense the December report is a judgement call, because it does bring to the attention of the Legislative Assembly all those matters that we consider to be brought to the whole assembly. So there's a certain judgement call made in the selection of items that are reported at that particular time.

If, for example—not prejudging, because we are currently waiting for the response from the ministry on our draft report on the imaging system, so I cannot—it depends very much on their response whether we have an item that we will include in a report to the entire assembly. What I'm pointing out, therefore, is that if this committee wishes to have a report regardless of whether we decide to report to the entire assembly or not, one way of doing this would be to have a motion under section 16 that you wish the Provincial Auditor to report to you, as the standing committee on public accounts, on this issue.

The Chair: If I could try to put it in an understandable form, at least my understanding of this would be that the request has to be made under section 16, because our original motion was made under section 17 for a special audit and something like this would then have to fall under section 16, so we need another motion, just as a housekeeping matter, if we want this report to come to the committee. Does everyone follow that?

Mrs Marland: Yes.

The Chair: So it's really a decision we need to make.

Mrs Marland: I'd be happy to move that. Mike, I didn't want to interrupt you if you still have the floor.

Mr Farnan: Yes. I'm trying to understand whether or not this is a necessary exercise. If indeed there's a report in place, and then there's an end-of-year audit, what are we adding to that? I mean, there's a report that I presume—according to the notes that were given out by legislative research, the results of the audit are to be reported in 1993. So although that's deleted from the text, there is an understanding, I believe, that there's going to be some kind of report there that's available to the committee.

The Chair: My understanding is that the auditor will go through an audit and he will report, based on whether he decides to do this or not, to the whole House, and he can choose to do that. If we want him to report to us the results of this special audit, we need to do that by way of motion in order to enable him to report to us as a committee. What he decides to do in his annual audit is entirely within your purview and not at our discretion, so if we wish to pursue this matter in more detail as a committee, we need to do that by way of motion authorizing him to report to us as a committee.

Now, having said that, if I may, once the auditor releases his report, we may then at that point choose to follow up with our own committee process on items in the annual audit report, which we normally do anyway. So either way it's really a housekeeping matter. I think it's more of a technical matter if we decide to do it now or to do it at the point of time he reports in his annual report.

Mr Farnan: Doesn't it make sense? This is what I'm trying to get at. This is going to be done in the auditor's annual report, coming back to us—

The Chair: It may be done.

Mr Farnan: But it's at the discretion of the auditor, and the auditor, I would think, has the good judgement that if he thinks this is a necessary decision to make, it's something he will pursue. Therefore, I would put my confidence in the auditor's judgement on this. He may have other priorities, but if it is indeed, in his estimation, to be a priority, he will pursue it. Therefore, I feel there's no need for us to be giving direction. I feel comfortable with the fact that the annual report in December and the auditor's discretion will give us whatever information is necessary.

Ms Poole: Mr Chair, would it be possible to leave it that at the time the auditor makes the decision whether it is included in the 1993 report, in the event it is not included in the report, that the auditor would bring this to the attention of the committee at that time, and we can make a decision, based on the auditor's advice, as to whether we look at it? Because as Mr Farnan has pointed out, if it's going to be included in the 1993 report, it may not be necessary to review it in this committee prior to that time.

Mr Peters: Yes, that's a fair request. The offer was mainly put on the table to guarantee that you get a report, because some of the matters, particularly dealing with computer technology here, that we may be finding are strictly of an internal housekeeping matter which may not be of interest to the assembly as a whole; it would deal with the ministry.

Mrs Marland: I wasn't going to bother getting into very much detail, because I thought we were perhaps going in a direction that was fine with me, but I just

want to give you why I personally am concerned about the internal housekeeping of this particular office. It may well be that the imaging technology, as it says here, was to increase service levels, but as recently as last November, I had a family in my constituency who had been—they called me finally in November, but the father died in June. They couldn't access the bank account or anything without the death certificate, and I had heard that they would accept the death certificate from the funeral home. Apparently, they couldn't accept it.

It's no big deal, but I personally loaned this family some money. I knew the family. I didn't know them personally as friends; I knew them as a family in my community for a long, long time. I thought, "This is just blooming ridiculous." It wasn't that there wasn't money there for this widow and three children, but it was just that they couldn't access it. In the end, it took six months less a day, I think, to get that certificate.

I'm just saying, whatever it is that's going on up there and whatever it is we're investing to improve the service levels, it's not working, and we have to have a remedy for that. Every one of us in this office with a constituency office deals all the time with birth certificates, primarily, for people who have to travel in an emergency and so forth. I mean, we know all that stuff, but this was the first time I had seen such hardship over a death certificate. One of the kids had gone all the way up there by bus to see if doing it in person made any difference. It was a horrendous story. So that's my personal frustration with the registrar general's office.

Mr O'Connor: We all get that, Margaret.

Mrs Marland: You have it too, Larry?

Mr O'Connor: Sure we do. All of us have it.

Ms Poole: I think we've all had it.

Mrs Marland: I'm just wondering, where is there a solution? Can this committee help find a solution?

Mr Farnan: I think Dianne has put forward a suggestion that makes some sense. We've had a three-year period when the ministry studied and selected the imaging technology. The whole purpose, as Margaret knows, is a determination—and that was during the previous administration—to improve service. If indeed that is not the case, I think we want to know about it and we want to see how it can be improved, so that the objectives of all of the members of the House can be achieved.

So I think it's something we don't want to lose sight of, and the suggestion that if it's not in the auditor's report that it will be highlighted to this committee so that we can then sort of red flag it for the future I think makes good sense.

The Chair: Good. Then I take it there's a consensus around that and we'll leave it at that.

Shall we move on to the next item? I think, Ray, you want to deal with the Workers' Compensation Board report.

1040

Mr McLellan: Thanks, Mr Chairman. The next item is the Workers' Compensation Board, and that should follow from the previous one on the RG.

Essentially, this is a short statement saying that:

"On November 26, 1992, the standing committee on public accounts adopted a motion instructing the Provincial Auditor to conduct a special audit under section 17 of the Audit Act on the WCB's decision to relocate certain head office functions," with information on the relocation.

"The committee adopted the following motion on this matter," and it's outlined in that central paragraph, "...that the Provincial Auditor review the Workers' Compensation Board's plans to build a $200-million office tower to serve as their new headquarters.

"As part of his consideration, the auditor should," look at the cost issues, cost per square foot and availability of office space in Toronto.

And ending off: "Prior to the commencement of the special audit, the committee held hearings in January 1993 to review this matter and to identify issues and concerns to be addressed in the audit report. The committee decided at the time that it would be premature to report on the initial findings in January 1993 and that it should await the completion of the special audit."

"This interim statement," it should say, as opposed to "interim report," "of the standing committee on public accounts confirms that the committee will address the special report of the Provincial Auditor when it is released."

Mrs Marland: And when will that be?

The Chair: Perhaps we could get some update from the auditor as to the timing of that in general terms.

Mr Peters: We are hoping to have it completed by the end of June.

Ms Poole: Mr Chair, I'd just like to confirm with the Provincial Auditor that this is a special report so this could be released prior to your annual report in December.

Mr Peters: Yes. This is a section 17 audit that will be released, as soon as completed, to you.

The Chair: To the committee.

Mr Peters: To this committee.

Ms Poole: Our committee has set the agenda, I believe, until June 3. Does the auditor anticipate that this report would be ready before the end of June, while we are actually still in session?

Mr Peters: I cannot guarantee that for one very straightforward reason: We will be probably in the position within the next two weeks or so to present the draft report to officials at the Workers' Compensation

Board, and I do not know how much time they will ask for to respond.

Ms Poole: So I guess with that one we'll just play it by ear and see when it actually comes out. Thank you.

Mrs Marland: Is it true that as we speak, the footings are being poured for this building? Does anybody have the answer to that?

The Chair: You're asking the auditor or myself?

Mrs Marland: The auditor or his staff.

The Chair: It's the first question I've been asked in a long time.

Mr Farnan: What's the question?

The Chair: Have the footings been poured on the building at Simcoe Place.

Mrs Marland: We know that the land is leased, we hear that it's being stirred up, but I'm just wondering about the frustration of this. I'm not criticizing that it's going to take till the end of June to get the report: We knew that when we last discussed it in this committee, because I was here that day, but I'm going to be very distressed if the report comes in and tells us that the building shouldn't be going ahead and in the meantime we've been waiting for the report and the building's going ahead. I haven't driven past the site slowly enough to identify what's going on at the site, and I just wondered, Erik, if your staff knew.

Mr Peters: We know that the hole has been dug. Yesterday one of our people went by. I didn't have a chance to hear the report back as to what was happening on the site this morning before I came here, so I'm not sure what progress there is, but there definitely is construction activity going on.

Mr Noel Duignan (Halton North): I was going to say the same thing. But maybe as a point of clarification on this particular issue, on January 12 didn't the committee pass a motion that the committee's deliberations on this item be concluded?

The Chair: That was a question of whether or not to continue with hearings. It did not really preclude the report. The report still has to be completed and conclusions drawn from that report and reported back to the committee. That, I don't think, is in question. I think the motion there dealt with the conclusion of public hearings, and that was done.

Mr Farnan: Maybe this is a question of clarification, again to get an understanding. When that report is completed, does that go to the House, to the whole House? Is it a public document that is reported to the whole House?

Mr Peters: That is within the purview of this committee, but it is a section 17 report which goes specifically to this committee. That is a report that you as a committee have asked for and you will get as a committee. The disposition will therefore be at your decision.

Mr Farnan: No, is it a public document at that stage? I mean, when it is delivered to this committee, it's a public document? Yes? Okay.

Mrs Marland: Could be embarrassing.

Mr Farnan: No, I don't think it's embarrassing at all. I mean, this is an arm's-length agency. The government does not have control of these agencies. But certainly I'm sure they make their decisions based on all the factors that impinge upon the efficacy of the decision before them. There certainly has been a lot of discussion around the merits of this particular decision. I think it's good for the public interest that the information be available and made public.

I think that when we passed the motion that this committee's deliberations be concluded, we were agreeing, Mrs Marland, that this decision has already been made, the train has left the station. Certainly the public should have all that information so they can look at it, but what is the point of this committee then spending valuable time on something that is already a fait accompli when there are other important matters that have to be discussed?

What does this report tell us, the interim report? It says that the report is coming down the tube. It also suggests, and this is what I would like clarification on, "The standing committee on public accounts confirms that the committee will address the special report of the Provincial Auditor when it is released." What does that mean?

Mr Peters: Just for clarification, what happened at the time when I believe this motion was passed to terminate the hearings of the officials was that I went to the Chair. I do not recall whether we did this in open meeting or in subcommittee, but I asked for clarification of the status of the audit, and at that time we had either a real or a straw vote under which the committee as a whole decided that the audit should continue and that there should be a report to the committee.

I do not want to prejudge particularly the content, but I would think that, as a minimum, one of the items that will come out of this report is really the question of accountability of these agencies to the Legislative Assembly. I think that would be a very important issue for this committee to deal with, regardless of what happens.

1050

Mr Farnan: Okay. If I could just conclude that, I appreciate the clarification of the auditor. In that regard, then, I would support this matter coming back to the committee for deliberation. I think this whole area of the relationship between government and crown corporations and arm's-length agencies is an issue that probably all legislators and the public at large are interested in.

Mrs Marland: I want to confirm what my position is on this matter, because I was at the hearings in January. In fact, I think it was my resolution that requested that the vice-chair, Mr King, bring before the committee the legal opinions which he stated that he had that the Workers' Compensation Board did not require an order in council to exempt its use of the investment fund, I think it's called, for the building of this office tower. It was at that point that we got a little rattled as a committee, because the next morning he produced one opinion, whereas he'd told us that he had three opinions on that matter.

The perception of some of us on the committee from then on started to be, I think—certainly speaking for our caucus—that we were gravely concerned that the building of this building contravened the Workers' Compensation Act and went beyond what its board had the power to do without an order in council. We got into the questions in the House, to the Minister of Labour etc, about whether they were happy with the building proceeding and whether they had the right to proceed with the kind of funding arrangements that they were in. It was at that point that I think whoever it was, whether it was Mr Duignan or not I don't recall, moved a motion that we end the deliberations on this matter.

Of course, four or five opposition members had no power on this committee to continue the deliberations once that motion was brought forward. I think it's very important, however, that this report today, which is what we're discussing this morning, is brought back to this committee. I appreciate the fact that Mr Farnan is making that suggestion and agreeing that this report of value for money be brought back to this committee, because that surely is the mandate of this committee with any government ministry or agency of the government. I think it's terribly important for the integrity of this committee for this report to come back, as is being suggested in this interim report.

The Chair: Mr Duignan, on the same point?

Mr Duignan: Just a point of clarification: We didn't move closure on this particular audit; it was just on the particular delegations and hearings that were going on at that time.

Mrs Marland: That's what I just said, Noel, if you were listening.

Mr Duignan: I was listening, Ms Marland. On the other item, we have no problem with this report coming back to this committee, and I suggest that the subcommittee deal with this issue and schedule a time for discussion at this committee.

The Chair: Then I'm to understand that there is some consensus about the report coming back to committee and that the subcommittee will deal with the scheduling of it. Is that agreed?

Mrs Marland: Agreed. Fine.

The Chair: Okay? Good.

We'll move on to the next item, elevating devices. Is that correct?

Mr McLellan: The Ombudsman.

The Chair: Oh, I'm sorry; the Ombudsman report.

Mr McLellan: On page 1 of the interim statement on the Office of the Ombudsman we have two motions. I can read through them quickly.

"In June 1992, the standing committee on public accounts passed a motion requesting that the Provincial Auditor conduct a value-for-money audit on the Office of the Ombudsman." This is in response to the standing committee on the Ombudsman. "The committee's initial motion was as follows:

"...the standing committee on public accounts requests that under section 17 of the Audit Act, the Provincial Auditor perform a value-for-money audit on the Office of the Ombudsman within this fiscal year."

Following the passage of that motion in 1992, a report came out from the Office of the Ombudsman addressing this issue and a number of other issues.

"In January 1993, the standing committee on public accounts met with the Ombudsman to discuss the proposed special audit on the Office of the Ombudsman. At the conclusion of the meeting, the committee passed the following motion on the timing of the special audit and the instructions for the Ombudsman to table the report with the Board of Internal Economy:

"'That the standing committee on public accounts direct the Provincial Auditor to conduct a value-for-money audit of the Office of the Ombudsman during his next regular financial audit of the Office of the Ombudsman and that this report will not be tabled with the standing committee; but, the Ombudsman will table the report with the chair of the Board of Internal Economy within 30 days of receiving the report from the Provincial Auditor.'

"This interim report of the standing committee on public accounts confirms that the committee has discussed the intent of the motions with the Ombudsman and that the committee is not required to address the special report of the Provincial Auditor on the Office of the Ombudsman, unless it is referred to the committee by the Board of Internal Economy."

There is precedent for the Board of Internal Economy to refer reports to committees, so that last sentence is in keeping with precedent. In other words, it could be referred to this committee.

Maybe I could just take a minute. The standing committee on the Ombudsman reported on this issue in its report of April 1993. I didn't distribute copies of that large report, which is in the order of 100-odd pages. I'll just refer to page 128 of that report of that committee. This section is entitled "Review of the Audit

Results." I could read the three or four paragraphs and their recommendation, if the committee wants me to, or just the recommendation. Do you have a preference on that?

Mrs Marland: Let's just start with the recommendation.

Mr McLellan: The recommendation is as follows, recommendation 41 of the standing committee on the Ombudsman, "That the Provincial Auditor report the results of the audits of the Office of the Ombudsman to the public accounts committee which shall refer them to the standing committee on the Ombudsman."

As we've said in this interim statement, the report of the Provincial Auditor would go to the Board of Internal Economy. This committee passed a motion in January 1993 instructing the auditor to report to the Ombudsman, and in turn that the report would go to the Board of Internal Economy.

Mrs Marland: Really what's happening now, then, is that the whole subject of the audit of the Office of the Ombudsman is actually out of the hands of this committee, because first of all it's referred directly to the Board of Internal Economy, and then it's only its choice is about whether it comes back to this committee or not. Is that right?

The Vice-Chair (Ms Dianne Poole): Mrs Marland, perhaps we could ask the auditor for a confirmation. That was certainly the way I read it.

Mr Peters: Yes, I'm concerned about the same thing. I'm just wondering if the committee might want to consider to what extent it wishes to constrict itself in dealing with this report. The last paragraph reads "that the committee is not required to address the special report of the Provincial Auditor on the Office of the Ombudsman, unless it is referred to the committee by the Board of Internal Economy." That would, in my opinion—and I think we may want to do a little more research on it—actually contravene section 17. Under section 17, I am instructed to report to this committee.

Mrs Marland: It's a pure contradiction.

Mr Peters: Yes. Regardless of what happens, I will report to this committee and this committee will have to deal with the report as it sees fit. I'm not sure whether the committee at this stage wishes to muzzle itself.

Mrs Marland: Mr Chair, if I may continue—

The Chair: If I may, Mrs Marland, I'm just getting clarification from the clerk that we had a second motion following on the original motion that indicated that you would report to the Board of Internal Economy, so I think that clearly gives direction to the auditor with regard to where he is reporting and in fact it would go to the Board of Internal Economy. I recall that discussion. I think it was pretty clear in terms of its intention that it would go back to the Board of Internal Economy.

If I can just refer to this motion that indicated "but, the Ombudsman will table the report with the Chair of the Board of Internal Economy, within 30 days of receiving the report from the Provincial Auditor."

Mrs Marland, you have the floor.

1100

Mrs Marland: Why is this happening? It is a contradiction to the original section 17 request. Did we suddenly decide to shut down the public review of the Ombudsman? Are we going to treat the Ombudsman differently because she's an officer of the Legislative Assembly? Is that what's going on here? I think that's a little scary. I don't think the Ombudsman would want the audit of her office to be treated differently than any other office. I'm well aware of what happened at the Ombudsman committee and all those events involving the Ombudsman.

Who placed the motion, Mr Chairman, that this report under section 17 end up going directly to the Board of Internal Economy rather than coming back here? Are we involved in a public process here or are we involved in keeping everything under the carpet?

Mr Farnan: On a point of clarification, Mr Chair: I think the record probably will show that the Ombudsman came to the committee and requested specifically that this would be a solution to the difficulties she perceived, and it was at her specific request that this resolution was brought forward. It's as simple as that.

You are aware, I don't have to remind you, of the history of the last couple of years vis-à-vis the Ombudsman's office, and I think there was goodwill on the part of the government, on behalf of the Ombudsman, to try and find a solution. It's to the credit of the Ombudsman that she came along and said this is the only way the integrity of her office could be maintained. This was accepted by the committee and, I do believe, unanimously by the committee.

The Chair: Mrs Marland, you have the floor, but if I may—

Mr Farnan: My apologies.

The Chair: No, if you're complete—

Mr Farnan: Mrs Marland may not have been at that committee and may not have been aware of the suggestion of the Ombudsman.

The Chair: Can I answer the question you asked? I believe you moved that motion, Mrs Marland.

Mrs Marland: Did I?

The Chair: According to our records, yes.

Mrs Marland: That it go to the board?

The Chair: If I can put it in context, and I'll try to be as helpful as I can—

Mrs Marland: If I did that, I don't think I understood that it originated as section 17, and probably that was the problem of me subbing on the committee for a day.

The Chair: Could be. I just think we need to put things in context, and at the time I believe it was a compromise position which enabled us to move forward on this matter and to do it in the most sensitive fashion possible, because I think it was really after quite some discussion that we came to the conclusion that we could do that, and at the same time it does not preclude the auditor from reporting to us any items which he feels are of the utmost, crucial importance for us to know, and that still holds true.

Mrs Marland: It doesn't. It doesn't for—

The Chair: No, it does. The auditor is not precluded by any of the motions that are carried by this committee from reporting to us items which he feels absolutely essential.

Mrs Marland: Well, that's fine.

The Chair: Correct me if I'm wrong, but that's my interpretation.

Mr Peters: You're absolutely right, and that is in the part of the discussion of the motion that I put on the table, that if matters came to the attention of my office that I should raise with your committee, this motion did not muzzle me in that regard.

Mrs Marland: Erik, a few minutes ago you said you were concerned. You started to say that I had raised a matter that you were concerned about, which was the report going directly to the board, so why are you concerned?

Mr Peters: I was only concerned about the last sentence, which is a very absolute statement that said the committee is not required to address the report. What I wanted to alert you to was that there may be matters—there may be matters; I don't know at this point—that I might want to bring to your attention which you may wish to address.It is right now an absolute statement that unless it is referred to the committee, you cannot address the report. I just wanted to clarify that in our discussion, if there are matters, yes, this committee can still address them.

The Chair: Mr Farnan, on the same point of clarification.

Mrs Marland: Can I just finish?

The Chair: You still have the floor.

Mr Farnan: It's Mrs Marland's point. Does the authority of the auditor to single out items to bring back to this committee override that last sentence? If not, then I think it should be deleted.

Mr Peters: It could be interpreted in that way. That's my concern. It can be interpreted in that way, and that is my concern.

The Chair: Mrs Marland still has the floor, if she would conclude her remarks. On a point of clarification, Mrs Poole?

Ms Poole: Yes, Mr Chair. I think if you look at the resolution that was passed, it says "this report will not be tabled with the standing committee." That's the report itself. There would be nothing, I would view, from this particular sentence to preclude the auditor from discussing the report. He just wouldn't officially table it.

The Chair: If I may, all these interjections, but I think that was the intent, that the report first be tabled with the Board of Internal Economy, but that would not necessarily preclude us from discussing it. Mrs Marland, you have the floor, and then Mr Duignan.

Mrs Marland: I think you've answered it now. For a minute there, I thought maybe Erik could talk to us if there were items he wanted to bring to us, but we wouldn't be able to address them. But if he brings them to this committee, Mr Chair, we can address it. I'm just asking you, if the auditor brings anything to this committee, the committee then can address it. We can't just listen, but we can discuss it.

The Chair: Unless the auditor has difficulty with that, I don't believe that was the intent of the motion. I stand to be corrected. I leave it up to the committee to decide whether that statement is going to preclude us. I don't think it does, but I stand to be corrected by members of the committee. So as far as the auditor is concerned, he has indicated that he can raise matters with us. I don't believe that's necessarily a statement that would preclude him from doing that. Ms Poole, you have a point of clarification?

Ms Poole: Yes. I was going to make a suggestion. I feel much more comfortable now that I know the auditor can discuss the report with us. What I would suggest is that once the report is tabled with the Board of Internal Economy and the auditor discusses the report—he doesn't, obviously, table the report, but once he discusses any concerns he has with the report with us—at that stage, we could perhaps write the Board of Internal Economy and ask them if they would refer it to our committee. So at least the Board of Internal Economy would be aware that the public accounts committee is interested in this particular report, and it can deal with our request.

It just might formalize the process a little bit more and make the Board of Internal Economy cognizant that members are quite concerned about the Ombudsman's office and its relationship with the Legislative Assembly in light of some past events.

The Chair: Mr Duignan, I'm sorry, I've forgotten now if you had your turn or not.

Mr Duignan: I didn't.

The Chair: You haven't. I apologize, because I interjected. I apologize for that.

Mr Duignan: I was going to make a lot of the points that have been made by Mr Farnan and indeed by yourself. I was going to indicate that Mrs Marland

indeed moved that motion earlier on. But we had an agreement with the Ombudsman to refer this report to the Board of Internal Economy, and I think any deviation from that would break our confidence with that of the Ombudsman.

Mrs Marland: Mr Chair, I want to clear something up. Apparently, my motion did not say that last part of the sentence. Apparently, my motion did not say "unless it is referred to the committee by the Board of Internal Economy."

The Chair: I would have to ask the clerk to clarify that, if you would like.

Mrs Marland: I think it's important because I don't have any difficulty with the report going to the board, but I think I do have a concern that we can't discuss it unless the board refers it back to us.

1110

The Chair: I'm informed, Mrs Marland, that the motion, as it was read into the record and recorded, is exactly as it appears before the document dated April 28, the document we're dealing with. That is verbatim, the motion as it was presented and moved.

Mr Farnan: I really believe we're dealing with a very, very sensitive issue. It's an issue that caused grave concern in terms of the role of the Ombudsman as perceived by the Ombudsman, and the Ombudsman's ability to be independent and effective.

The Ombudsman was very tough, very focused and very clear as to how she saw her role. Certainly, it created some tensions. We all want to believe that the Ombudsman is clearly independent; it's vitally important for the role that the Ombudsman retains that independence. It's to the credit of the Ombudsman that she very effectively stood by that independence and she came to the committee with a possible solution to what appeared to be an impasse, and all parties agreed that this was a workable solution. I think we should indeed let it work. That means the Ombudsman reports directly then to the Board of Internal Economy.

If there is something substantive, if there is something of an extraordinary nature that the auditor believes needs to be addressed, then the auditor will indeed bring this to the committee, but I don't think we should be saying we want the nitty-gritty, some details that have to be worked out, brought to this committee. I think we have to put our trust in a solution that was honourable and workable and put our trust in the auditor. If there is something outstanding, something very serious, then he will bring it to the attention of this committee. That is the way I think this can work, otherwise we break faith with the trust we've established with the Ombudsman, and I think that would be a very serious mistake.

Mrs Marland: That's fine with me.

The Chair: Mr McLellan wants to clarify one point, and then I have Mr Duignan on this point.

Mr McLellan: If I could possibly address the last paragraph and refer Mrs Marland to it: Obviously, the text of the motion is above that, indented; that was the committee's motion. The last paragraph and the preceding two paragraphs are my words. In trying to develop a statement on this, I've outlined, as I have here, a possible alternative.

The committee perhaps could consider the following, that in that last paragraph the sentence end as follows: "The interim statement of the standing committee on public accounts confirms that the committee has discussed the intent of the motions with the Ombudsman." Then the next sentence would deal with the matter that the Provincial Auditor, at his discretion, could report on matters as he decides may be of interest to the committee. And the last sentence may refer to a point that Ms Poole had raised, and that is that if the committee decides, it could write to the Board of Internal Economy for the report to be referred to the committee. Those are three points that have been raised.

Mr Farnan: Let's go back to the first point.

Mr Duignan: Hold on a minute here.

The Chair: Let's have some sense of order. I think, Mr Duignan, we had you on the list, so I'll start with you and then we'll—

Mr Duignan: I think the auditor has made it very clear—I mean, we're just going around in circles here—that if he feels there are substantial problems that he finds in the audit, he will bring them to this committee. Is that correct?

Mr Peters: That's correct.

Mr Duignan: And at that point, the committee could so choose to write a letter to the Board of Internal Economy requesting a copy of the report, correct?

Mr Farnan: I thought the Ombudsman.

Mr Duignan: I have some real concern. We went through this debate way back in January, and Mrs Marland moved a motion and it was all agreed by everybody that this was the course of action we would take. I have a real concern about us deviating from that course of action at this point in time. The auditor has said that if he finds anything substantial, if there's a substantial problem he finds in the audit, he will bring it back and discuss it with this committee. Why are we going around in circles?

Ms Poole: Mr Chair, further to what Mr Duignan just said, I am a little concerned by all this. I wasn't on the committee at the time, and I am concerned, not knowing what the tone of the debate was at the time, that if we've made a deal with the Ombudsman in order to get the information before the Legislative Assembly, and if we have agreed that the Board of Internal Economy will handle it instead of public accounts, then I would be somewhat reluctant for public accounts to interfere if we have made that agreement. But I really

don't know what the agreement was. Did we say at the time the motion was made that this would then be out of the hands of public accounts unless it was referred by the Board of Internal Economy?

Mr Duignan: That's the way the motion reads.

Ms Poole: Yes, that's how I would read the motion.

Mrs Marland: No, that isn't what the motion reads. Excuse me. If you read the motion, and I think we should all read it, "That the standing committee on public accounts direct the Provincial Auditor to conduct the value-for-money audit of the Office of the Ombudsman during his next regular financial audit of the Office of the Ombudsman." I want to stop there because I recall that the wording, the "next regular financial audit," was very important to the Ombudsman. She didn't want a special audit. Am I correct? She didn't want us to go in and do a special audit; she wanted it to be part of your next regular audit. She didn't want her office intruded upon as though suddenly there had to be a special audit, so that's why that was worded that way. And as I'm thinking, this is now coming back to me about what the discussion was. That's why it says, "during his next regular financial audit."

Then it says, "and that this report will not be tabled with the standing committee," so there was a decision made that it would not come back here because of some of the arguments that she made at the time, but instead of it coming here the Ombudsman would guarantee—that's what she said to us—that she would table that report with the Chair of the Board of Internal Economy within 30 days of her receiving the report from the Provincial Auditor. In other words, she would have 30 days to look over it and then she in turn would guarantee that the report would go somewhere in the public domain, which was the board.

However, the resolution does not say that the committee is not required to address the special report of the Provincial Auditor on the Office of the Ombudsman unless it's referred to the committee by the Board of Internal Economy. It doesn't say that. The motion doesn't say that.

Now I agree, Mike, with what you said about not breaking faith with the Ombudsman, and obviously that's why the motion was put the way it is, because we were trying, as you said very well a few minutes ago, to find a solution to what was a difficult situation. What has been said this morning, the commitment by the auditor, is perfectly satisfactory to me; that we go with the motion as it stands and we recognize that, if there is something of concern, there is still the latitude for the auditor to bring something of concern to this committee, which is the only thing that all of us are probably concerned about.

Mr Duignan: Can I have a point of clarification? As you know, there is a standing committee on the Ombudsman. Is the Board of Internal Economy or the auditor required to send a copy of that report to that committee? No?

1120

Mr Peters: I don't believe so. To the best of my knowledge, we're not. In fact, it was the standing committee on the Ombudsman that first wanted to have an audit done. They had no authority to order it up. Only you did. Only this committee did.

Mr Farnan: I think we're reaching consensus. Maybe you can clarify. I heard Dianne say before she left that she was sensitive to the fact that some form of agreement had been made and therefore we should work within that area. Therefore, I would say to legislative research that the three points that you read out are clearly not the three points that the committee agrees to. The third one has to be removed. What we are agreed to is that it goes to the Board of Internal Economy and that if the auditor wishes to raise an issue of substance—because clearly, if it was a minor issue, it would break faith—but an issue of substance can be brought to this committee. That's the agreement and I think it covers all the bases, so I think there is consensus.

The Chair: I think I'm going to suggest that there is a consensus and that we move on and leave that subject.

The next item to be considered is elevating devices. Mr McLellan, would you take us through that, please.

Mr McLellan: On the issue of elevating devices, the interim statement is as follows:

"In January 1993, the standing committee on public accounts held hearings into the audit report on elevating devices, Ministry of Consumer and Commercial Relations" in the 1992 annual report of the Office of the Provincial Auditor.

"The Provincial Auditor's objective was to assess the adequacy of elevator inspections to ensure compliance with safety standards. The ministry is in the process of addressing these concerns through a new system. According to the ministry, 'an automated licensing, registration and inspection system...will provide management with a sophisticated risk management tool.' The system was described by the ministry as follows:

"'Phase 1 of the Inspection, Design, Engineering, Data Cross-Reference System, Index, has been implemented. Phase II [of] the inspection system is expected to be implemented in the fall of 1992.'"

Prior to the meeting, I spoke with the Provincial Auditor. The Provincial Auditor has been in touch with the ministry and, according to the Provincial Auditor, the date of the fall of 1992 has been revised now and it appears it will be 1993. That quote from the ministry will have to be amended. To carry on:

"'When the new database is fully populated, the

branch will have the ability to cross-reference the inspection history of an elevating device, its technical specifications and the performance record of its maintenance contractor in order to assign a periodic inspection cycle based on the identified risks for each device. This cycle may be annual or it may as high as every five or six years.'

"The Office of the Provincial Auditor has indicated that a report on the Inspection, Design, Engineering, Data Cross-Reference System will be prepared following the implementation of phase II. The committee has decided not to report on this matter until it has had an opportunity to review the Provincial Auditor's report on the Index system.

"This interim statement of the standing committee on public accounts confirms that the committee has conducted a review of the 1992 annual report of the Provincial Auditor and that the committee will consider the Provincial Auditor's report on the Index system when it is released."

The Chair: Any discussion, debate? There being none, then I gather we have consensus on this report.

I think that concludes the discussion of interim statements. We've covered all the areas.

ANNUAL REPORT, PROVINCIAL AUDITOR, 1992
MINISTRY OF HEALTH

The Chair: Perhaps now we can turn our attention to the first item on the agenda, since we have Mr Murphy in attendance. Mr Murphy, would you like to deal with that motion?

Mr Tim Murphy (St George-St David): I moved it last time. Do I need to re-move it, Mr Chair? We just deferred it, I think.

The Chair: Yes, I think it would be safe to have you re-move that item, because it was deferred, so we can then discuss the matter. I stand to be corrected by the clerk, however.

Mr Murphy: I move that the Provincial Auditor conduct a follow-up audit to section 3.10 of the Provincial Auditor's 1992 annual report and that the scope of this follow-up audit include, but not be limited to, the procedures used by the ministry to eliminate the unauthorized use of health registry cards.

The Chair: Now that the clerk is here, I can ask if it was in fact necessary to do that. It wasn't. Now that you've read it, it was just read into the record again for purposes of discussion.

Mr Duignan, you have a point of clarification?

Mr Duignan: Yes. A similar motion was moved February 22, 1993. Can we maybe clarify that?

The Chair: It was actually originally Mr Callahan's motion, as moved now by Mr Murphy.

Mr Murphy: It was moved last week, I believe, and then deferred so that government caucus could—

The Chair: It was deferred to today. But it was Mr Callahan's motion back in February of this year, and we decided to deal with these motions.

Mr Farnan: There was a notice of motion.

The Chair: Right, there was a notice of motion dated at that time. The discussion of these matters came up last week and we deferred till this week. I think it was Mr Farnan who deferred it. So we now have this motion on the table for discussion.

Mr O'Connor: As you know, during the intersession I didn't have the opportunity to sit on my favourite committee of the Legislature, which of course is public accounts, because being a parliamentary assistant to the Minister of Health required me to be on the committee of social development, where we were taking a look at long-term care.

But there was one week during the spring intersession when I did have an opportunity to sit with this committee. In fact, we had the Deputy Minister of Health before us for a great deal of time. The deputy minister did come forward with a lot of information and shared with us a lot of facts and certainly did give us a great deal of insight and shared a lot of the history of the whole program and what not with us. I felt that as parliamentary assistant, and being new to the Health ministry, that was a great education for myself, and I hope the other committee members felt so as well.

At that time, of course, there was a great deal of discussion, and further, within the ministry there is a deputy minister's committee that is looking into this. They will be putting together recommendations, and I believe the committee would be reporting around June. I don't think it would really serve the committee well to take a look at something that we don't have all the information for. I'm sure that at the request from this committee to the Ministry of Health, that report could be made available, because when we take a look at health care, it's something that is very fundamental to not only Ontarians but all Canadians. The medicare system is something that we're all very proud of, and I'm sure that report, whether or not we decide to go through the entire process we just went through already this spring, is necessary at this time. I think that report would still be quite interesting to all committee members, especially when I'm sure we all have a great deal of keen interest in preserving health care in this province.

Mrs Marland: I think this motion is very specific and I think what Mr O'Connor has just said is very broad. I think it's as simple as that. We're not here to discuss the health system as a whole if we're going to deal with this motion. I really support the motion 100%. I think that anybody in the government must support the motion 100% because it simply says, "the procedures used by the ministry to eliminate the unauthorized use of health registry cards." I would think that when you

know the millions of dollars that are involved with unauthorized use of our health cards, it would be not too difficult a motion for you to support, in the interests of saving the taxpayers of this province money.

Mr O'Connor: If I might respond—

The Chair: We do have a speaking order, and I'm going to move to Mr Murphy, who asked to be on it next.

Mr O'Connor: By all means.

1130

Mr Murphy: I just want to say that I think, given the number of cards that were identified in the Provincial Auditor's report as possibly being available to be misused, I guess is the best way to put it, to be as many as 300,000 to 500,000, and in the context of a restraint program that everyone's participating in, to find out ways to eliminate what could be millions of dollars of misuse and misapplied government funds is, I think, a very important thing to do.

I'm certainly glad to have as part of the report this follow-up audit, the report referred to that might be coming out in June from the deputy minister. I'm sure it can be included in the scope of the review. But I think, as Mrs Marland said, it's a very specific motion directed to a specific problem, one I think we can all agree is worthwhile focusing on and trying to solve.

Mr Duignan: I guess for a number of reasons this side will not be supporting this particular motion, but also, Mr Chair, are we not as a committee still looking at this whole issue arising out of the auditor's report from the spring? Aren't we meeting with a number of people dealing with the whole question of smart cards and the whole question of the health cards in the coming weeks?

The Chair: If I may, we are certainly still looking at the report, section 3.10 of the report, and we will be, I believe, on June 3 having further presentations made by two groups, one on smart cards and one that hasn't been made available to all members of the committee, but there's another group that will make a presentation to us about alternative technologies. So you're correct; we are further pursuing this matter.

Mr Duignan: Well, we support the intent, but I believe there are other avenues that are being explored, such as what we're doing right, plus the fact, Mr Chairman, that the last audit, as mentioned by my colleague, on the registration system was concluded in February of this year. I believe another audit would be very disruptive and focus energies away from the tasks that need to get done.

My colleague Mr O'Connor has referred to the deputy minister's report. I believe at this point it would be premature to have another audit on the registration system.

Mr Murphy: On a point of clarification: I was wondering, was Mr O'Connor indicating that he was undertaking on behalf of the government to produce that report to this committee?

The Chair: I'm not sure. It's a question that you may wish to determine. Mr O'Connor, do you want to—

Mr O'Connor: For clarification, I said that the deputy minister's committee and the minister's policy committee are taking a look at a report that will be coming out in June and they will be taking a look at this entire issue, because of course it is an issue that all members of the Legislature find very important. As I said, should this committee feel that that report would be useful to the committee, then the committee is open, of course, to request that, and I'm sure the ministry would be willing to make the report available to the committee.

An important thing, I guess, that really stems from this is the fact that in the motion it says "but not be limited to." So it's not a very direct motion, really. It's pretty broad-speaking.

The Chair: Thank you, Mr O'Connor. I do have other members wishing to speak, but, Mrs Marland, do you have a point of clarification?

Mrs Marland: No, I just want to get on the speaking rotation, please.

The Chair: Okay. I have Dr Frankford next then.

Mr Frankford: I concur with my colleagues who are pointing out that this committee is still doing a lot of work on a number of things to improve the whole system.

Perhaps I can point out to the new member across the floor, who I don't think was at some meetings before, that there's a significant problem of underpayment in this. I think it's been in the general press; it certainly is very much in the medical press, the problems of slowness of payment in relation to the version number question.

I think maybe this will be something which could come out in a report, but I think this is opening up a huge area which I don't think the auditor should be looking at at this time but we should be looking at, and working on ways of streamlining the whole process, which I think—

Mr O'Connor: Imagine how much money and time we've spent on a week of committee hearings already.

Mr Frankford: If this doesn't happen, then there are going to be problems around making the system work that open up the possibility even of direct billing to patients if the problem of invalid cards becomes overwhelming, which I believe is becoming quite a significant problem to practitioners.

The Chair: I have Mr Farnan next, and then Mr Murphy.

Mr Farnan: I think when you look at the big

picture and you look at the Ministry of Health, certainly in the life of this administration the outstanding record of achievement that this ministry has had in pursuing cost-effective measures and maintaining standards of service—

Mr Murphy: Elinor was a great minister, wasn't she?

Mr Farnan: —I do believe that the government can be truly proud of its accomplishments.

My colleague Mr Murphy refers to a colleague of his in the previous Liberal administration as being a great minister, and I have great respect for Ms Caplan. However, I have to preface that or qualify that with the point that during the previous 10 years, health costs in Ontario spiralled at an outrageous 10% increase per annum over a period of 10 years, and this is through Conservative and Liberal administrations. Now they were different times. There was lots of money around, and unfortunately there wasn't the necessity for cost-effectiveness to be such a high priority. I think everybody in the House realizes that cost-effectiveness is important.

So we're talking about a ministry that has, in the past year, held costs down in the health field to 1%. You compare that with what happened over the previous 10 years of 10% and 10%, and now here's a ministry that's oriented in a very cost-effective manner. So certainly we must always be concerned about efficiencies that can be gained, and there is no doubt—I can give the committee members the assurance, and I believe the parliamentary assistant to the minister has already done so—that wherever cost-effective measures can be made, at the same time watching the levels of service etc that have to be maintained, we want to be at the forefront of that kind of positive, constructive approach to government.

So we have a situation where the branch in question, the registration program branch, has been in existence one year this month, long enough to have identified the problem but not long enough to have fixed it. So what has happened is, this ministry, which has a tremendous reputation for cost-effectiveness, is vigorously approaching this issue. They've set up the machinery by which the issue can be resolved, and before we give them a chance to come to grips with the problem, we're talking about another audit. We haven't given them the kind of time I believe—because they have proven, indeed, their serious intent.

So another audit so close on the heels of the last I believe would be disruptive and would take energies away from the task that needs to be done. This ministry recognizes the problem, set the machinery up to address the problem, and we're saying, "Hey, we want to get into there again." Now, I think we should go in there again; absolutely I think we should go in there again. But I think, in all fairness, we should say, "Hey, we've identified the issue; the ministry has already identified the issue, already set up the machinery, is already working on it, has a proven track record of cost-effectiveness," and I think we should say, "Keep up the good work, Ministry of Health, on turning this around"—

Mr Robert V. Callahan (Brampton South): Gold star or silver star?

Mr Farnan: —because indeed this is one of the great success stories of this government, the fact that previous administrations have had 10% per annum and the Ministry of Health has successfully reduced it to 1% per annum.I would say that as a committee the members of the government share—

Interjections.

Mr Farnan: Excuse me. I can accept heckling from the opposition members, but I'd prefer if my own colleagues would listen.

1140

The Chair: Order, please. Mr Farnan has the floor.

Mr Farnan: We agree with the opposition that this is important, that it needs to be addressed and monitored, but I think, knowing the fair-mindedness of the opposition members, you don't put unreasonable demands in terms of putting one audit on top of another when we know that the ministry intent is clear, that the machinery is in place. I think that at a judicial point of time, we can say, "Yes, we want another report back or we want another audit," but right now I think the reality of the matter is, let's just say to the Ministry of Health: "Well done. What a great job you're doing. Keep up the good work."

Mr Callahan: They're applauding outside.

Mr Farnan: Let's continue to ask the ministry to be cost-effective. That's basically my point.

The Chair: I'm sorry. I must apologize to Mrs Marland, because she should have been next, but I'm going to turn—

Mr Farnan: Do I get my turn after Mrs Marland?

The Chair: No, Mrs Marland and then Mr Murphy and then I have Mr Callahan.

Mrs Marland: You know, it's a very—

The Chair: I just want to point out before you start that we have a short period of time left, so I'm going to allow those speakers and then I think we'll deal with this matter.

Mr Callahan: They were applauding that decision too, Mr Chair.

Mrs Marland: It's really interesting to listen to Mr Farnan for five minutes, because it reminds me of a captain of a Cunard liner who just takes over the ship, finds that there are rats in the hold of the ship and defends that. The thing is that as a new government you have a wonderful opportunity, but I also want to tell you that you had been the government a year and a half when this auditor's report came out, and in this audit-

or's report it is identified that the province potentially could cost the province $1 million because—

Interjection.

Mrs Marland: Larry, if you want to listen, in fairness I think—

Mr O'Connor: I was just—

Mrs Marland: I just want to read you this paragraph on the subject of the number of registrants in terms of the provincial health care system:

"The ministry therefore could not explain the difference of as many as 300,000 people. Every 700 cards issued to ineligible or non-qualified persons could potentially cost the province $1 million a year, based on average annual claims of $1,400."

Mike, in fairness, I really did listen to you, because what I want to know is this: If you're saying that your Ministry of Health is investigating this as a result of the auditor's report of 1992, and that you want us to wait for that report and the report is going to be out in June, I will sit here today on May 13 and tell you that I will wait for that report till June, but I will only wait if we can agree to table this motion this morning, because if you aren't willing to table this motion based on the fact that you have a report coming, then what that would say to me is that the report that's coming isn't going to address the motion.

But I am willing to say to you, okay, if you can assure us that the ministry is looking at the problem that is addressed in the motion, which is the unauthorized use of health registry cards, sure, I'll wait another month for that report, but I will do it on the condition that this motion is tabled. I say simply to you that if you're not willing to go that route, I will start standing on the public platform, saying, This province, this provincial government which wants to cut back jobs is not willing to have the Provincial Auditor try to solve the problem of potentially a $1-million loss with the misuse of these cards." It's as simple as that. It's very straightforward.

I think if you're going to defend one thing, you've got to be willing to say what is going on in your house, and if your house is an interministerial report or a ministry investigation within the Ministry of Health alone and you're willing to make that public when it's due, as Larry said, in June, that's fine with me. But I need to know that, and maybe Mr Murphy, as the mover of this motion, might be willing to table it until we get the report from the Ministry of Health in June. But we're not going to play with this all year and we're not going to see people lose jobs in this province while $1 million is being lost where it need not be lost.

The Chair: Mr Murphy.

Mr Murphy: I'm going to change the order, if I may, Mr Chairman, and let Mr Callahan speak first.

The Chair: Okay. Mr Callahan.

Mr Callahan: I guess one of the hallmarks of this committee is that it attempts to be as non-partisan as it can be. I think that this matter, this motion and the reason I put it forward was that it's necessary, and I'll give you just one example; I think there are lots of them. You may recall, and I'm not sure, Mr Farnan, whether you were here when we had the Deputy Minister of Health, now the social contract putter-together, here before us. He showed us a form that you could fill out in order to get a card, and my recollection of it was that the form allowed you to be described in eight different ways. For instance, Mike Farnan could be M. Farnan, could be—is your middle name Patrick?

Mr Farnan: Liam.

Mr Callahan: Liam. All right, it could be Liam Farnan, it could be L. Farnan, it could be M. Farnan; there were eight ways you could be described. I suggested to the deputy minister that recognizing the fact that there are those cards out there, and recognizing that they're fraught with the possibility of fraud, of people getting more than one card and using these cards for whatever purpose, cross-border—call it cross-border health care, out-of-country health care, anything you want to call it.

I suggested that by giving somebody eight ways to describe himself, you give him the potential of getting eight separate cards. So I suggested to the deputy minister that they have only one possibility, and that would be referable to the document that was presented as proof of who they were.

Interestingly enough, the next day the deputy minister came back and said, "We have decided to do that." I think it's admirable of the ministry to do that, but I have to say that's one example of what may be turned up by a further audit by the auditor. How many more interesting little scenarios are out there? It's not an indictment of your government, it's not an indictment of our government, it's not an indictment of the Conservative government; it's an indictment of how the process takes place and how effective it is to reach the goal that I think all of us as legislators and guardians of the public trust and guardians of the public treasury should be concerned about. How many other instances of that exist within the framework of this whole card system? That was the reason for the motion.

Mr Farnan, you waxed eloquent in your finest Irish. I sat here just in the brief part I heard of it and was mesmerized by your Irish, but in fact what came through loud and clear to me was that, you know, we don't want to have another luck—and I think that will be borne out—

Mr Farnan: Tsk, tsk, how unfair.

Mr Callahan: No, just a second. That will be borne out by the way your caucus votes on this. If your caucus votes to defeat this motion, then I regret to say

that I can draw no other conclusion from that vote than that you want to cover it up, and I don't like to say that because, as I started out by saying, this is a committee that I at least believe is as relatively non-partisan as may be, because we have a responsibility different than any other legislative committee in this House.

Mrs Marland: Then you shouldn't refer to his Irish the way you did, Bob, really.

Mr Callahan: I shouldn't what?

Mrs Marland: You shouldn't have referred to Mike's Irish the way you did if you want to be non-partisan.

1150

Mr Callahan: Oh, I see. All right. But I believe that the job of this committee, unlike any other committee—all the rest of the committees, unfortunately, are partisan. That's because of the stilted position we have in terms of Parliament, which Mr Drainville has spoken about ad nauseam and I have in terms of what these committees should be empowered to do.

But I would think that this committee here, of all of them—we should be able to walk away from this committee at the end of each hearing and say, "We've done something to protect the public purse," particularly in times when we have such a deficit outstanding, and again that's not an indictment of your government. This deficit has not accrued overnight; it has accrued through a number of administrations.

But, as I say, if your vote is against this, then I regret to say that the only conclusion I can draw is that this committee no longer is non-partisan, that your government caucus is not interested in looking after the financial wellbeing of this province, even though they're going to tax the living daylights out of them in the next budget, which is coming down shortly. I have to draw that conclusion and I will in fact send out copies of this Hansard to every person I can find to demonstrate that, because I believe that this committee should not be that way.

However, if you are prepared—Mr Farnan makes the case, and I suppose he's got his hand up again and is going to make the case again that we should defer this because we don't want to interrupt the Ministry of Health at this early stage with the audit having just been done—what, a year ago, I guess, or whatever the date, a year ago. They've had a year. I guess we should give them a little more.

If Mr Farnan truly means that, then at the very least, if Mr Murphy sees fit or—I guess he moved it—sees fit to table this motion, then I would hope that the government caucus would support that. But I would suggest that it be tabled not without a date or sine die but that it be tabled with a fixed date, and I think Mr Farnan—somebody help me out. When did Mr Farnan say that this review or this report would be coming out from the Ministry of Health?

Mr O'Connor: Some time in June. I don't have the direct date.

Mr Callahan: Okay, perhaps we should table this for the last public accounts, and if that's going to be the resolution of this, if in fact I'm reading your faces right that you're going to vote it down if we try to move it now—but I have great faith. I think you people are non-partisan and you will support a tabling of this motion to a fixed date which would be in fact the final Thursday. What's the date in June? We can have a great opportunity on that date to discover, to give the auditor the summer over which he can look into anything that perhaps is untoward.

I happen to believe that deferring it is not the appropriate thing to do, because I think in light of the example I've given about the application forms there may be hundreds of worms under the rock, mistakes that have been made, not intentionally, by civil servants, but perhaps in their desire to satisfy their masters and to get things done quickly, they may have done it too fast.

I think that's the reason the auditor is here, to give us the opportunity to be able to determine what are those and can we solve them and can the Mr Decters of the day—who is a very reasonable man in saying, "Yes, we agree with you that is something we should do." Perhaps if we had Mr Decter back after we get the auditor's further report, we may have several others we'd say to Mr Decter, "Well, Mr Decter, you know, this, this and this should be tightened up." He may go back. He seems like a flexible guy and he may go back and say, "Yes, that's right."

Who are the winners in all of this? It's not the NDP, it's not the Liberals, it's not the Conservatives. The winners are the people who pay the tab, pay your salary and my salary, and pay the brunt of the taxes of this province. It's the companies who pay the health care tax to ensure that it's properly managed and that we come out of it even better.

So I urge you to do one of two things: Either give me some idea now as to whether or not you'd pass the motion—that would be my first wish. Could I canvass the members opposite?

The Chair: Perhaps I can help, Mr Callahan. In the interests of saving some time, I would point out that we're quickly running out of time. We can continue this discussion, if members so choose—

Mr Callahan: Can we do a straw vote?

The Chair: —but is there an agreement to defer this motion to—June 24 is the last date that we could meet. Mr Farnan.

Mr Farnan: I think we—you know, Mr Callahan has run out the clock.

The Chair: We have a few minutes left.

Mr Farnan: Basically this committee was late in starting, and I think if we're serious about our duties we'll get the business started at 10 o'clock. We lost 20 minutes at the beginning. We all have responsibilities to go to now. I certainly have responsibilities that I have to go to immediately. So I am going to move deferral of this issue to the next meeting of this committee, which is next week, and we can pick up where we left off at that stage. I'd ask for a vote on the deferral.

The Chair: Mr Farnan moves that the motion be deferred again to next week's meeting. Is there agreement on that?

Mrs Marland: That's fine.

Mr Callahan: Let's have a debate about this.

The Chair: It's not debatable. If there's consensus, we'll see to that then.

Mr Farnan: I'd move adjournment of the deliberations of this morning.

The Chair: Agreement to adjourn?

The committee adjourned at 1156.

CONTENTS

Thursday 13 May 1993

Interim statements P-21
Annual report, Provincial Auditor, 1992: Ministry of Health P-31

STANDING COMMITTEE ON PUBLIC ACCOUNTS

***Chair / Président:** Cordiano, Joseph (Lawrence L)
***Vice-Chair / Vice-Présidente:** Poole, Dianne (Eglinton L)
*Callahan, Robert V. (Brampton South/-Sud L)
*Duignan, Noel (Halton North/-Nord ND)
*Farnan, Mike (Cambridge ND)
*Frankford, Robert (Scarborough East/-Est ND)
*Hayes, Pat (Essex-Kent ND)
*Marland, Margaret (Mississauga South/-Sud PC)
*Murphy, Tim (St George-St David L)
*O'Connor, Larry (Durham-York ND)
*Perruzza, Anthony (Downsview ND)
Tilson, David (Dufferin-Peel PC)

**In attendance / présents*

Also taking part / Autres participants et participantes:
O'Connor, Larry, parliamentary assistant to the Minister of Health
Peters, Erik, Provincial Auditor

Clerk / Greffiére: Manikel, Tannis

Staff / Personnel: McLellan, Ray, research officer, Legislative Research Service

CA2ON
XC21
-P72

Government
Publications

P-4

ISSN 1180-4327

Legislative Assembly
of Ontario

Third Session, 35th Parliament

Assemblée législative
de l'Ontario

Troisième session, 35e législature

Official Report of Debates (Hansard)

Thursday 20 May 1993

Journal des débats (Hansard)

Jeudi 20 mai 1993

Standing committee on public accounts

LIBRARY
1993
University of Toronto

Comité permanent des comptes publics

Subcommittee report

Annual report,
Provincial Auditor, 1992:
Ministry of Health

Rapport de sous-comité

Rapport annuel de 1992 :
Vérificateur provincial
Ministère de la Santé

Chair: Joseph Cordiano
Clerk: Tannis Manikel

Président : Joseph Cordiano
Greffière : Tannis Manikel

Published by the Legislative Assembly of Ontario
Director, Hansard Reporting Service: Don Cameron

Publié par l'Assemblée législative de l'Ontario
Directeur, Journal des débats : Don Cameron

Coat of arms

A new coat of arms appears on the cover of Hansard. Presented to the Legislative Assembly of Ontario by the Governor General on 26 April 1993, it emphasizes the distinctive character of the Assembly and distinguishes the Assembly's identity from that of the government. It was created at this time to mark the bicentennial of the First Parliament of Upper Canada and the centennial of the present Legislative Building. Further information may be obtained by calling 416-325-7500.

Table of contents

Table of contents for proceedings reported in this issue appears on the outside back cover, together with a list of committee members and others taking part.

Index inquiries

Reference to a cumulative index of previous issues may be obtained by calling the Hansard Reporting Service indexing staff at 416-325-7410 or 325-7411.

Subscriptions

Subscription information may be obtained from: Sessional Subscription Service, Publications Ontario, Ministry of Government Services, 50 Grosvenor Street, Toronto, Ontario, M7A 1N8. Phone 416-326-5310, 326-5311 or toll-free 1-800-668-9938.

Les Armoiries

Les nouvelles armoiries paraissent sur la couverture du Journal des débats. Présentées à l'Assemblée législative de l'Ontario par le gouverneur général le 26 avril 1993, elles soulignent le caractère distinct de l'Assemblée et mettent en valeur l'identité de l'Assemblée par rapport au gouvernement. Les armoiries ont été créées en ce moment pour marquer le bicentenaire du premier parlement du Haut-Canada et le centenaire du présent Édifice de l'Assemblée législative. De plus amples renseignements sont disponibles en composant le 416-325-7500.

Table des matières

La table des matières des séances rapportées dans ce numéro se trouve sur la couverture à l'arrière de ce fascicule, ainsi qu'une liste des membres du comité et d'autres personnes ayant participé.

Renseignements sur l'index

Il existe un index cumulatif des numéros précédents. Les renseignements qu'il contient sont à votre disposition par téléphone auprès des employés de l'index du Journal des débats au 416-325-7410 ou 325-7411.

Abonnements

Pour les abonnements, veuillez prendre contact avec le Service d'abonnement parlementaire, Publications Ontario, ministère des Services gouvernementaux, 50 rue Grosvenor, Toronto (Ontario) M7A 1N8. Par téléphone : 416-326-5310, 326-5311 ou, sans frais : 1-800-668-9938.

Hansard Reporting Service, 481 Legislative Building, Toronto, Ontario, M7A 1A2. Phone 416-325-7400. Fax 416-325-7430

STANDING COMMITTEE ON PUBLIC ACCOUNTS

Thursday 20 May 1993

The committee met at 1009 in room 151.

SUBCOMMITTEE REPORT

The Vice-Chair (Ms Dianne Poole): Good morning. I see a quorum, so I would like to begin this session of the standing committee on public accounts. We have a number of things on our agenda this morning; we'll start with the report of the subcommittee.

The subcommittee met on Thursday, May 13, and your subcommittee discussed the committee's budget.

"It was agreed that the subcommittee adopts the budget in the amount of $103,537 and recommends it to the committee.

"Your subcommittee discussed the budget for the Canadian Council of Public Accounts Committees conference of legislative auditors. It was agreed that the subcommittee adopts the conference budget in the amount of $30,000 and recommends it to the committee.

"Your subcommittee discussed the committee's agenda."

Mrs Margaret Marland (Mississauga South): Madam Chair, I would move that we accept the report as circulated in the printed form, to save you reading it.

The Vice-Chair: Certainly I'm prepared, as long as it will form part of the official Hansard. Is there any discussion on the subcommittee's items? Could I therefore have a motion that—

Mr Robert V. Callahan (Brampton South): I don't think we need one if we have unanimous consent, do we? Do we need a motion?

Mrs Marland: Yes.

Clerk of the Committee (Ms Tannis Manikel): I think Mrs Marland moved adoption.

The Vice-Chair: Oh, did you move adoption? I'm sorry, Mrs Marland. All in favour? Any opposed? Carried. The report of the subcommittee is adopted.

COMMITTEE BUDGETS

The Vice-Chair: The next item on the agenda is consideration of the committee's budget and conference budget. The report of the subcommittee was adopted, which did recommend two budgetary items. All members of the committee have a copy of the two budgets in question. Are there any questions on the budgets?

Mrs Marland: I think, Madam Chair, we should put on the record that we're not approving a conference budget for this committee, in case the taxpayers are concerned that that might be what we're doing. We're simply moving the necessary budget for the committee's operation, and the conference budget is a national conference that it is the province of Ontario's turn to host in Toronto. So we're not going off on a conference at the expense of the taxpayers. I think it's important for us to let the public know that's what we're approving this morning.

The Vice-Chair: Thank you for pointing that out, Mrs Marland. It is quite correct that the conference budget is for a national public accounts legislative auditors' conference, and that money will be used to ensure that the members attending the conference from across Canada are able to share information which will be valuable to the functioning of public accounts.

Are there any other comments or questions on the two budgets in question?

The clerk has advised that we do have to have an official motion to adopt the two budgets, even though we did adopt the report of the subcommittee. Might I have a motion to adopt the two budgets?

Mr Callahan: Just before we adopt it, I chaired the standing committee on regulations and private bills for a number of years, and I have to commend the subcommittee on the budget. I always thought regulations and private bills had the lowest budget of all. I think you people have done a good job in terms of putting this together and I commend you for it. I move adoption of the budget.

The Vice-Chair: Thank you, Mr Callahan. Mr Callahan moves that the committee budget be adopted as well as the conference budget. All in favour? Any opposed?

Mr Larry O'Connor (Durham-York): Madam Chair, I was just wondering if perhaps the subcommittee that has been working on the conference might want to, at this point, give us an update on how things have been going, or maybe the clerk would have the information on how it's been proceeding. I know we haven't had an update in a while: how many people are registered and maybe just a bit of an update on the conference.

The Vice-Chair: I would ask our clerk to provide us with up-to-date details of where we are in the conference planning.

Clerk of the Committee: I'm just trying to find my report for the subcommittee. Basically, and it might be easier if I made additional copies of this, I've gone through the business agenda and highlighted possible speakers. With the approval of the subcommittee, I was going to start contacting them.

As to people indicating that they will be attending, the deadline for that is next Friday, a week tomorrow. So far it's been very slow. I've talked to a few people and I will be contacting all the provinces.

There are a few things: I believe it's New Brunswick that's having its election next week, so I won't have any response from them for a while. Alberta has just called its elections, so again, they've indicated that they're hoping to send someone, but at this point they can't give me numbers or anything. I believe at this point the only confirmed registrations we have are from the Northwest Territories.

Mark Hill, whom you may have met at other conferences, who works with the Auditor General's office and attends this conference as an observer, has sent in his registration form. I was in Ottawa yesterday for another meeting and I did talk to some people there and was told that they would be sending us their registrations. They were busy preparing their sections of the agenda and would have something from a continuation of last year's conference.

Are there any other details, any specifics that you'd like to get into?

Mr O'Connor: I think that's given me a bit of an update.

Mr Callahan: I just want to inquire. Recognizing that there are elections going on in other provinces and recognizing that there are also constraints on other provinces, is there a point at which—I'm not talking about the auditors' conference, because obviously they will have their people there from the various provinces, but it may be that elected representatives of public accounts committees may decide, either on their own or with their arms twisted by their various premiers, that they should not use the cost of attending at Toronto for this conference.

What I want to know is, I'd hate for us to go out and get all involved in this, spend a lot of time and perhaps commit a lot of dollars if in fact the net result is going to be—I don't mean this in a demeaning way—that we could hold it in a telephone booth. Is there a thought that if the deadline by which a response has to be given and if the response doesn't demonstrate a large commitment, that we have a way of turning off the tap, as it were?

Clerk of the Committee: I guess all I can tell you is that the subcommittee has thought about this, exactly what you're saying: What do we do if nobody appears to be attending? What the subcommittee has decided to do is wait until the next subcommittee meeting on June 3, and at that point we should have enough information in to say whether or not there will be enough delegates to continue with the conference and to make a determination at that time. Also, as you say, there may be some idea that if the numbers are much lower than we anticipated, we would look at other facilities or maybe revise what we're doing.

Mr Callahan: So we do have enough time to perhaps get out of those commitments, rearrange them, or at the worst scenario, terminate them. We could do it.

Clerk of the Committee: As far as the hotel goes, there may be some cost there. I would have to look into it at the time. Again, their deadline is a year to eight months ahead of time that you could cancel without any penalty.

Mr Callahan: A year and eight months?

Clerk of the Committee: Eight months to a year.

Mr Callahan: The governor would have to call to save us from that execution, I guess.

The Vice-Chair: It is interesting to point out that some of the provinces have had difficulties with financial restraints. One of the provinces in fact said that there would be no money for its political representatives to come to the public accounts committee. I believe it was Manitoba. In fact, the two representatives from Manitoba are coming on their own money, because they are so committed to the idea of coming to this conference and sharing information. Certainly that attitude is really to be commended. It may be much more difficult if you're coming from BC or Newfoundland, with the incurring of transportation costs.

Mr Callahan: I notice the Northwest Territories is coming, and that's well beyond BC.

I wonder if I might ask another question. I notice that the professional accounting side of this is being held in Ottawa in November. Is that right?

Clerk of the Committee: There's another conference, the Canadian Comprehensive Auditing Foundation.

Mr Callahan: They're holding theirs in November. It would be my humble submission that if it looks like we're going to be lacking in participants because of the constraints—I guess the question I'm asking is whether there is some way we could join forces with that conference in November, even though recognizing that it's our turn to host it here in Toronto, in order to ensure that it came off. I think it's important that we do have it come off; perhaps that's a consideration. I don't know whether the subcommittee looked at that or not, or whether it's possible.

1020

Clerk of the Committee: The only comment I could make is that the Canadian Comprehensive Auditing Foundation is totally separate from public accounts committees. Ontario, Ottawa, a few jurisdictions—and BC—have sent some people to that conference as well, but not all jurisdictions send delegates to that conference.

Mr Callahan: Have they not been held together at one point? I remember going to Alberta and I think they were held together at the same time.

Clerk of the Committee: No, I believe you're

thinking—in Alberta, if I remember correctly, when I went to the public accounts conference, that has traditionally been held in conjunction with the auditors. The last time I went to Alberta with this CCPAC conference, the Canadian Parliamentary Association conference was held in Alberta the following week, and it was sort of piggybacked there.

Mr Callahan: Just one final question: Are there any other committees that have planned some type of function for professional purposes in Toronto around that time so that we could maybe join with them, or maybe if we had to release our hotel rooms, they could take advantage of that?

Clerk of the Committee: None that I'm aware of.

Mr Callahan: Okay, fine.

The Vice-Chair: If there's no other discussion on the conference budget, then we'll take the vote. All those in favour of approving the two budgets?

Mrs Marland: We did vote on this.

The Vice-Chair: We did vote. I'm sorry. That's right; we're having the discussion after the fact.

Mr Callahan: They have short attention spans.

ANNUAL REPORT, PROVINCIAL AUDITOR, 1992
MINISTRY OF HEALTH

The Vice-Chair: The next item on the agenda is Mr Murphy's motion. Mr Murphy is in London, Ontario, this morning and has asked that Mr Callahan make the motion on his behalf.

Just for information of the committee members, the steering committee agreed that debate on this motion will be limited to 15 minutes, should there be any debate, and it will be equally divided among the three parties.

Mr Callahan: That sounds like time allocation to me. That's not time allocation, is it?

Mrs Marland: We spent an hour on it last week.

Mr Callahan: Okay. Thanks, Margaret.

Mr Murphy moves my motion, actually:

"That the Provincial Auditor conduct a follow-up audit to section 3.10 of the Provincial Auditor's 1992 annual report and that the scope of this follow-up audit include, but not be limited to, the procedures used by the ministry to eliminate the unauthorized use of health registry cards."

The Vice-Chair: Actually, Mr Callahan, you did point out quite validly that this was the motion you originally introduced. If you would like to speak on behalf of the Liberal caucus, you have up to five minutes.

Mr Callahan: Let me first say that the auditor brought to my attention a document that's just recently been released—it's public—dated March 1993, which is Registration Analysis Project. He's drawn to my attention the fact that there are numerous of the problems that were identified in the auditor's report that have some suggestion of how they might be dealt with.

Although I've not had a chance to look at it, I'm inclined to think that it might be premature to press this motion. I wasn't aware of this report last week at this time, and rather, to give the people who have put together these recommendations an opportunity to—

Interjection: That's confidential.

Mr Callahan: Oh, I'm sorry. I see up on the top something I shouldn't have spoken of.

Mr Erik Peters: I apologize.

Mr Callahan: In any event, perhaps we should be in camera for that. Can I retroactively say to Hansard that those comments were in camera, Madam Chair or Madam Clerk? I've never run into this before. I think perhaps we should instruct Hansard that this—is this being televised as well?

The Vice-Chair: This is being televised, Mr Callahan.

Mr Callahan: Oh well. I have to explain to the public out there. I didn't see a certain item on the—

In any event, moving right along, I think there may be some reason to perhaps allow some time. I think I'd want that on the undertaking that we would get some of this information I'm referring to, that each member would have it, because I think it's important that we have it so that we know where we're going and what we might instruct the auditor to do afterwards.

Finally, I would like to say that I felt this motion was essential because, as I said on the last occasion, nobody has the totality of truth. I remember when the Deputy Minister of Health was here, Mr Decter, who is now engaged in other activities. I mentioned to him the fact that you could, on an application form, list yourself eight different ways. For instance, if I wanted to sign up for a health card, I could sign it as R. Callahan, B. Callahan—my middle initial is V—V. Callahan.

Mrs Marland: We went through all this last week.

Mr Callahan: I appreciate that, Mrs Marland. I have the floor and an opportunity, I think, to let the—

Interjection: He's in camera.

Mr Callahan: No, I'm letting the public know what my views on it are, and I think they're important.

Mr O'Connor: I'm sure they would have seen the deputy here.

Mr Callahan: Yes, that's right. They would have seen the deputy here. All I'm saying is that was an opportunity for us to say to the deputy: "Here you have a problem with health cards. You've got 25 million out there for 9 million Ontarians. Because of the fact that you've got them out there, why would we not tighten up the process to prevent further fraud from taking place?"

We've had indications from people who've come

before us to the effect that these cards have in fact been fraudulently used. They're used for all sorts of purposes. I called it cross-border medical care: People coming from the United States and other countries dropping in for medical services and getting the services for free at the expense of the taxpayers of this province. I think that's wrong. I think we all think that's wrong.

But just to go to what happened, we suggested to Mr Decter that there shouldn't be eight ways to describe yourself. If you produce a document such as a birth certificate or a passport or some other documentation that's official, that should be the name that appears on the card. To his credit, the next day he came back, I believe, in these hearings and said: "I agree with you. We're going to do that."

I'm not trying to put forward any accolades for myself in having suggested that to him, but I think that's the type of help we can give to our civil service and to the people in government as to how they might possibly tighten up this whole process to ensure that, with the limited funds we have in our health care system, we can properly provide and continue to provide—not to use a pun—a heathy health system for all citizens of Ontario.

Even though I'm perhaps speaking at it both ways, I'm saying I think we should defer it, because of comments I made earlier, to allow time to deal with that. I think it's pointless to send the auditor in to audit something that's not going to give us any further information.

I do want to say, and this is a bit off the motion, that there were suggestions that we have people come before us—and I hope they're going to come before us—from the banking industry who will tell us how you can enlarge on these cards, because although I haven't read through this material, I don't think it talks about the smart card, where you can put everything on the card. I think it's important that we have that type of people come before us either now or during the intersession.

The Vice-Chair: Mr Callahan, I believe you had suggested a deferment or to table this particular motion.

Mr Callahan: Yes. I'd like to table it, though, to a definite date, and I said that on the last occasion. The government members wanted to table it. I can't remember who it was; I think it was Mr Hayes. I want to table it to a definitive date and I would suggest that that date should be our first public accounts meeting after the House returns for the fall session. Would that be enough time, do you think, Mr Auditor?

Mr Peters: I'm wondering if you could delay it just slightly. The ministry itself is really under quite a bit of pressure at the moment largely with, also, Mr Decter gone. If November would be acceptable to you—

Mr Callahan: I'm easy, but I'd like it tabled and adjourned to a definite date rather than just left out there in the ocean. So perhaps the first meeting in November that the public accounts committee is reconvened. I pass on to my good friend Margaret Marland for her comments.

1030

The Vice-Chair: Mr Callahan has suggested tabling his motion until the first meeting of the public accounts committee in November. Mrs Marland, would you have a comment?

Mrs Marland: I do agree with tabling this motion, but where we were leading to in our discussion last week—Rosario, were you here last week? I know Larry was. What came up last week, Madam Chair, and you will recall this, was that the ministry is in the process of developing its own report following its own investigation on this matter of health cards.

I think what Mr O'Connor told us last week was that the ministry report should be ready some time in June, next month. We also have scheduled at least two deputations coming back to our meetings in June to talk about different alternatives as they pertain to health cards.

I don't know that we need to table the motion as far off as December. I think we could deal with the motion, say, at the end of June, the last meeting of this committee before the House recesses at the end of June, recognizing that by then we should have some report from the ministry, if only an interim report.

I would rather that we table it, Mr Callahan, until that meeting in June when we have the ministry report and we've had the two deputations on other alternatives to health cards; at least that it comes back and we look at it then based on the ministry information. It may be that what the ministry tells us will indicate that we should table this motion till November, but I don't want to table it from now till November. Let's get the report from the ministry, which it's working on now, and then make the decision by the end of June.

Mr Callahan: I'd be content with that. What, the last meeting in June?

Mrs Marland: Yes. That gives the ministry time to report to us.

The Chair (Mr Joseph Cordiano): Mr Frankford, Mr Marchese and then Mr O'Connor.

Mr Robert Frankford (Scarborough East): I'm perfectly happy to see this tabled. I just wonder whether we should go ahead with the planned deputations from the Royal Bank, and I'm not sure who else, because I'm really not sure if they're going to have answers to problems. I think what they're going to offer is going to be rather limited.

If we are going to hear more people from outside to talk about it, I would suggest that we get the OMA and/or other provider organizations. I believe we've really overlooked another very important aspect of

health cards, which is lack of payment, underpayment, blocked payment because of the version code thing. From reading the medical press and discussion with my colleagues, this is a very major problem which I'm sure my physician colleagues would be very happy to make some presentations about. I think perhaps we should scrap the whole idea of any deputations until we've received the report which is being discussed.

The Chair: Mr Marchese or Mr O'Connor, whichever one was first; you decide.

Mr Rosario Marchese (Fort York): I have no problems with the deferral motion because I think it's correct, given that the ministry's dealing with it. I thought there might have been some information that would be available by the end of June, but I'm not certain. So it's not a matter of wanting to be contrary to it. But, given the kind of difficulties they're having in the ministry in terms of other matters they're dealing with, and that we may not have the kind of full report you're asking for, even though you're asking for a progress report of some kind, then it might—

Mrs Marland: Even an interim report from the ministry would be helpful.

Mr Marchese: Yes. You see, I'm not certain whether or not we might get the kind of information you're asking for, and that's why I thought that November, given the kind of workload they have, might be the more appropriate time. But we didn't want to appear as if somehow we are not in agreement with that, because I wouldn't mind a progress report, but I'm not sure what kind of information we're going to get in June and therefore I would think that November might be the more appropriate month.

The Chair: Mrs Marland, do you want a point of clarification on this?

Mrs Marland: Mr Chair, I'm very concerned. I mean, the subject we're dealing with here is the misuse and the abuse of health cards. I'm not willing to postpone it another six months, from May till November, before this committee discusses this again. Dr Frankford's suggestion that we bring in the OMA and the users, namely the medical profession and so forth, is another issue apart, I think. I don't want to broaden the scope of this investigation, because we can't even get a handle on the scope that we're trying to deal with now.

It's unfortunate that Mr Duignan isn't here, because he has mentioned a firm in Mississauga, with which I'm not familiar, actually, and the Royal Bank alternative. I thought we had these people scheduled to come in in June to talk about some alternatives to the health card as we know it today. But I don't think that this committee should sit back on its heels for another six months and say, "We'll look at this issue in November."

The only reason that I agreed to tabling Mr Murphy's, formerly Mr Callahan's, motion last week was because Mr O'Connor said the ministry was preparing a report that should be ready some time in June. I'm willing to deal with that report when it comes at the last meeting of June, and if they don't have a report, then they can come in and say they don't have a report. I think the motion should be to defer this motion to the last meeting in June. We will have heard from some people with some other ideas on the subject of health cards, you can come in and tell us what the ministry's up to at that point and let's just talk about it then.

The Chair: Mr Marchese, you had the floor. This was not a point of clarification.

Mr Marchese: The intent was not to be contrary, because I too would like to hear what the ministry's doing. So if we defer to the end of June, ask for an interim report because we expect that they're working on it and need more time, then we're asking for a progress report on that matter with the full knowledge that we'll get a fuller report some time in November. That would be fine with me.

Mrs Marland: Some time later.

Mr Marchese: Some time later—November.

Mr O'Connor: In a manner of trying to be fair to the hardworking people within the Ministry of Health, this is something that this committee is very concerned about indeed. We have had top bureaucrats within the OHIP system here, as well as the deputy minister, to discuss this in great detail. The committee does have a lot of concerns about it. The committee is dealing with it. There's going to be a report within the ministry within June. I don't think there would be a problem in having some sort of information package being shared by the ministry, but I don't think that for us to go into any great detail and to start up the entire process that we just finished a couple of months ago would be a wise use of this committee's time.

I was pleased by Mr Callahan's move to recognize the hard work being done within the Ministry of Health and put it off until the fall. I appreciated that. I'm sure that the hardworking people within the Ministry of Health appreciated that, on the recommendation by the Provincial Auditor.

1040

Should this committee decide that we're going to deal with this in June, I think it's going to be placing far too great a workload on the ministry to come up with any definitive answers. There's been a lot of work that has gone into it and there will continue to be a lot of work going into it. I think if the committee was to request an information note or something to explain some of the progress, that wouldn't be a problem. To go into it in any great detail I think would be a waste of the committee's time, given the time frames that have been expressed.

What I would suggest is, it is always in order for any member to bring a motion to this committee. That being the case, then what I'm going to do myself is vote against the motion, and it's always an option to committee members to bring forward another motion at a future date so that we can deal with it at another time. I think we've spent a great deal of time on this motion. It's something that we all take very seriously and is of great concern, and I would recommend voting against it.

The Chair: Thank you very much. We had an agreement to allow for 15 minutes of debate on this matter. I do not hear that there is a consensus from committee members. There was some suggestion that the motion be deferred. There's not agreement on that, I take it, Mr O'Connor.

We therefore have to deal with the motion that's before us today. I need further clarification as to whether we're going to have someone move this motion for consideration today and, if not, we can have a motion on whether or not to defer and you can deal with that, which is what is really before us today.

Ms Dianne Poole (Eglinton): I had thought for a while there was going to be consensus on deferring the motion because there have been concerns raised as to what the ministry is doing in the meantime, and there's no point in proceeding until we know what is happening in that regard. But if we are going to proceed with a direct vote, I'm afraid I'll have to call for a 20-minute recess, which I'm reluctant to do, because Mr Callahan has just had to go over to the finance committee, so we would need time to get our members. I wonder if there is any alternative.

The Chair: We had a motion before us for consideration today, and no one moved the motion to be deferred. We could deal with the motion as is, or, since there is no consensus on deferral, what you're telling me is you'd like to deal with the motion as is presented to us today.

Ms Poole: No. In fact, Mr Callahan had very clearly stated that he intended to have a deferral on this particular motion.

The Chair: Then I need someone to move that deferral.

Ms Poole: I would move that this motion be deferred and be tabled until the last meeting of the public accounts committee in June, which I think was—

The Chair: Would you like to clarify that, Ms Poole, as a deferral, that consideration be deferred?

Ms Poole: Yes, that consideration be deferred until the last meeting of public accounts in June.

Mrs Marland: I support that. I really thought that's what we had a consensus on last week.

The Chair: Okay. Ms Poole moves the motion as read. Shall we read it again?

Interjections.

The Chair: Order, please. We're just trying to get the motion straight. I'm going to ask the clerk to read that motion again as it was read into the record by Ms Poole.

Clerk of the Committee: What I've written down is: Ms Poole moves that consideration of this motion be deferred until the committee's last meeting in June.

The Chair: Okay. That's the motion before us on the floor.

Mrs Marland: I have a question on that. My question is, if the parliamentary assistant to the Minister of Health wants this motion defeated, then I guess I have to ask, through the Chair to that member, if you don't want to discuss this again at the end of June, even though last week you said—unfortunately we don't have the Hansard—but last week I felt, Larry, that you were quite positive about being willing to look at what the ministry was doing at the end of June, if you're going to come in and say no, now, to discussing this at the last meeting in June, I'm wondering why we're going to bother having deputations come in and look at health card alternatives. I mean, I just don't know where we're going now.

The Chair: Any further debate on this motion? Mr O'Connor.

Mr O'Connor: As has been stated here earlier this morning by Mr Callahan, following his conversation with the Provincial Auditor, he's pointed out, quite rightly, that there's an awful lot of work being done right now by the Ministry of Health around the whole billing process, a lot of work that the auditor, I feel, and maybe we should ask the auditor to clarify—that is being worked upon by the Ministry of Health. For us to spend a lot of time with it, I don't think that, given the way process is within government, we're going to have the complete answers.

I don't see there being any problem as to this committee asking for some sort of a submission from the ministry as to where they are going with it, but to spend a great deal of time on it I don't think is a good use of this committee's time.

So what Mr Callahan had suggested, that we deal with this in the fall, seemed to me a very reasonable approach to this. Of course, every member of this committee knows that we can bring in a motion at any period of time to take a look at anything, and we can look at this in the fall, as was suggested by Mr Callahan.

I think that for us to spend a great deal of time on it now and to not be able to have answers—I think there are a lot of different issues that the committee has raised that we can be looking into in the meantime, and I think that it would be a good use of this committee's time to look at other issues. We've spent a week on this

issue with the top people from the OHIP system here, the deputy minister. A lot of concerns were raised, and in fact, as Mr Callahan pointed out this morning, his concern over the names on the OHIP cards, and the deputy minister did say that there are some difficulties and they would be looked into. I think that to allow the ministry to take a look at this and come in with corrective action is what the Provincial Auditor wants as well.

The Chair: I'm going to go in rotation. I'll turn the floor over to Ms Poole.

Ms Poole: The problem I have with Mr O'Connor's comments is that in public accounts we're always going to be in situations where the ministry is conducting an internal review. That has always been the case, and it's the case now. If we didn't look into the Ministry of Housing because they're conducting an internal review or the Ministry of Health because they're conducting an internal review, or any other ministry, then I don't think we're doing our job as the public accounts committee.

Mr Callahan, I think, is very sensitive to the fact that the ministry is doing ongoing work. He in fact brought that up as a point this morning. It's not a matter of interfering; it's a matter that our work should continue at the same time. I don't think anybody was expressing the opinion that it had to be a lengthy debate or period of time, but surely this committee would be entitled to do an update at the end of June to see what our expert witnesses had said and to perhaps offer some guidance and direction to the ministry at that time. It might very well be that with what the ministry is doing, there is deemed to be no necessity of pursuing it, but to arbitrarily cut it off at the knees and say, "Well, we're not going to discuss it because the ministry has this well in hand," I'm not sure I would agree with. I know the ministry is reviewing it, but they're hardly an objective body on this, and that's the job of public accounts, to provide that objective analysis.

The Chair: Further debate? Mrs Marland.

Mrs Marland: Ms Poole has just said it beautifully. She said exactly what I would say, so I'm not going to repeat any of that. Every single thing she said is the point of why we're here and what we're dealing with. I think it's disappointing that I don't have last week's Hansard in front of me, because last week Mr O'Connor was very open and, interestingly enough, I didn't realize last week that you were parliamentary assistant to the Minister of Health, but now I almost get the feeling that you've gone away and had your little ears tweaked and you've come back with your marching orders from the minister's office, which I think is unfortunate.

Mr O'Connor: Ask the auditor.

Mrs Marland: If what you're suggesting now, as Ms Poole said very well, is, "If the ministry's doing it, leave it alone," I'm sorry. I'm just not willing for us not to hear anything about it for six months. We're simply saying—oh, thank you. This is the Hansard from last week.

1050

All we're saying, Larry, is, "Come in and tell us what you're doing," and maybe we'll back right off and say fine, the ministry's certainly making progress on looking at the use or misuse or abuse of health cards. We've got lots of work for this committee. We don't want to duplicate anything the ministry is doing. All we're saying is, "If what you're doing is so good, come and tell us." That's all. And everything else that Ms Poole said, I agree with.

The Chair: Further debate?

Mr Marchese: Can I just ask a question? If we had an interim report, which is what is being asked for, are you looking for a 15-minute, half-an-hour kind of discussion on that report, or what kind of time are you looking at?

Ms Poole: If we could reach a consensus on it, I'd be agreeable to one hour, which allows each caucus 20 minutes, to take a look at what information we have to date. By then, we will have had completed two different meetings on the smart card technology and that type of issue. I think at that stage we'd be able to have basically an interim report, a status report, and decide whether further action is necessary. It may well be at that stage that we decide there is no further action necessary at this stage.

Mr Frankford: I am worried that we're getting tracked into just a card approach and a fee-for-service approach. I believe the whole question of payment for health services is much broader. I would love to have a discussion about the payment options that exist right now. I didn't feel that the presentation we had on smart cards was at all helpful. If anything, it pointed out that this is not the way to be going. That was my impression, but I stand to hear other opinions.

Similarly, I have the same feelings about the presentation we're scheduled to have with the Royal Bank. With great respect, I think they're probably very good at credit card arrangements, but I don't in any way accept that health services are an item for a credit-card approach. I think there are other things, which I would be very pleased to discuss. If we're going to devote more time to this, then I would like to have some very broad discussions, which I think would be very fruitful for all of us.

Mrs Marland: Mr Chair, I do have the Hansard now, thanks to the clerk, for last week. Mr O'Connor says, on page 1130-2, "For clarification, I said that the deputy minister's committee and the minister's policy committee are taking a look at a report that will be coming out in June and they will be taking a look at this entire issue because of course it is an issue that all members of the Legislature find very important."

I'm glad to have that confirmation, because that's what I do remember Mr O'Connor saying last week, that there would be a report coming out in June. He doesn't even say "the end of June"; it's just "in June." All we were saying was, okay, let's wait for that report.

The Chair: I could allow for more debate, but I'm not going to do that because I feel that there is really no consensus on this matter. I think we call for a division on this. Ms Poole, do you require a 20-minute recess? Should I ask for that? I think Ms Poole made a point that she requested that, so I would ask her if she still requires that.

Ms Poole: Quite frankly, I'm looking at the number of government members who have just come in, and even if we have our division to call more opposition members, we don't have enough to defeat the government on this. So I will not call for a 20-minute recess.

Mrs Marland: Are we sure which way the government members are going to vote?

The Chair: All those in favour of consideration of deferring the motion as it was put? All those against? In my opinion, the "ayes" have it. So the motion shall be deferred as put in the motion.

ACCOUNTING PRINCIPLES

The Chair: The next item on the agenda is "Provincial Auditor: briefing on the accounting principles."

Mr Peters: I raised a number of issues with the committee in the meeting of April 29th with the intention of putting them on the agenda. The accountability issue, as I understand it now, has been agreed to by the subcommittee to be discussed on June 17.

I would like to ask the committee, which already seems to be indicated, to defer the accounting principles issue that I raised with you until after July 1993 for the straightforward reason that the discussion that ensued after I raised this matter in this committee has greatly helped.

As a result of those discussions, I've received a letter from the Minister of Finance and the Chair of Management Board. I've advised the Chair of your committee of this letter. Both ministers indicate that they consider these concerns as very important and they need to be resolved.

It would therefore be preferable, from my perspective, that the entire matter only be brought before the committee once the audit examination of the consolidated revenue fund is completed and the audit opinion on that consolidated revenue fund is determined.

We expect that there will be an opinion by the end of July on this matter. So I would like to have this on the record that there has been very positive response. Discussion is now taking place between ministry officials and my staff on the accounting issue. So with the committee's indulgence, I'd like to report back to you once the matters are resolved rather than interfering in the process through early activity.

Mrs Marland: Which minister is this?

Mr Peters: Finance.

The Chair: We shall deal with the matter once it has been resolved. That, I think, will be dealt with by the subcommittee for scheduling, so we'll refer it to the subcommittee.

Any further discussion on this item? If not, we'll move on to the next agenda item, and we're going to move in camera.

INTERIM STATEMENTS

The Chair: I just want to say on the record that I will be removing myself from my position as Chair on the committee, as I am the Housing critic for my party. I want to be able to sit in that capacity during our deliberations on this committee. I will ask your indulgence, as committee members, to allow me that possibility as I will be moving, in my capacity as Housing critic, out of the chair. I want to make that clear.

We will be moving to an in camera session. The clerk is informing me that we have revised copies of the interim statements we dealt with last week, as reported by our research officer, Ray McLellan. The clerk is going to distribute those. If there are any questions on those, perhaps we could deal with that very quickly. I'd like to move on to closed session to deal with the report that is before us on non-profit housing, but if there are any questions to be raised at this time, we'll deal with them first.

Mrs Marland: We're dealing with what the clerk has just handed out?

The Chair: Yes, she's just handing out the revised copy of the interim statements.

Mrs Marland: And this "Confidential: For Committee Use Only" is not applicable any more?

The Chair: They're interim statements. It's not a draft report. That "Confidential" was there by mistake. The statements are that: just interim statements. They're not interim reports; that's the revision we made on all of these. There are a couple of other things. It's really a housekeeping matter with respect to the references made to a "report" and it being changed to a "statement."

Mrs Marland: So these highlighted areas are just all the areas we requested the changes on?

The Chair: Yes.

Mrs Marland: I'll move approval of the interim statements.

The Chair: Mrs Marland moves approval of the statements. Is there agreement on that? Agreed? Thank you.

We now move into in camera session.

The committee continued in closed session at 1102.

CONTENTS

Thursday 20 May 1993

Subcommittee report P-37
Committee budgets P-37
Annual report, Provincial Auditor, 1992: Ministry of Health P-39
Accounting principles P-44
Interim statements P-44

STANDING COMMITTEE ON PUBLIC ACCOUNTS

***Chair / Président:** Cordiano, Joseph (Lawrence L)
***Vice-Chair / Vice-Présidente:** Poole, Dianne (Eglinton L)
*Callahan, Robert V. (Brampton South/-Sud L)
*Duignan, Noel (Halton North/-Nord ND)
Farnan, Mike (Cambridge ND)
*Frankford, Robert (Scarborough East/-Est ND)
*Hayes, Pat (Essex-Kent ND)
*Marland, Margaret (Mississauga South/-Sud PC)
Murphy, Tim (St George-St David L)
*O'Connor, Larry (Durham-York ND)
Perruzza, Anthony (Downsview ND)
*Tilson, David (Dufferin-Peel PC)

**In attendance / présents*

Substitutions present / Membres remplaçants présents:
Harrington, Margaret H. (Niagara Falls ND) for Mr Farnan
Marchese, Rosario (Fort York ND) for Mr Perruzza

Also taking part / Autres participants et participantes:
Peters, Erik, Provincial Auditor

Clerk / Greffiére: Manikel, Tannis

Staff / Personnel: McLellan, Ray, research officer, Legislative Research Service

CA2ON
XC21
-P72

Government Publications



P-5

ISSN 1180-4327

Legislative Assembly of Ontario

Third Session, 35th Parliament

Assemblée législative de l'Ontario

Troisième session, 35e législature

Official Report of Debates (Hansard)

Thursday 3 June 1993

Journal des débats (Hansard)

Jeudi 3 juin 1993

University of Toronto

Standing committee on public accounts

Annual report, Provincial Auditor, 1992: Ministry of Health

Chair: Joseph Cordiano
Clerk: Tannis Manikel

Comité permanent des comptes publics

Rapport annuel de 1992 : Vérificateur provincial Ministère de la Santé

Président : Joseph Cordiano
Greffière : Tannis Manikel

Published by the Legislative Assembly of Ontario
Director, Hansard Reporting Service: Don Cameron

Publié par l'Assemblée législative de l'Ontario
Directeur, Journal des débats : Don Cameron

Coat of arms

A new coat of arms appears on the cover of Hansard. Presented to the Legislative Assembly of Ontario by the Governor General on 26 April 1993, it emphasizes the distinctive character of the Assembly and distinguishes the Assembly's identity from that of the government. It was created at this time to mark the bicentennial of the First Parliament of Upper Canada and the centennial of the present Legislative Building. Further information may be obtained by calling 416-325-7500.

Table of contents

Table of contents for proceedings reported in this issue appears on the outside back cover, together with a list of committee members and others taking part.

Index inquiries

Reference to a cumulative index of previous issues may be obtained by calling the Hansard Reporting Service indexing staff at 416-325-7410 or 325-7411.

Subscriptions

Subscription information may be obtained from: Sessional Subscription Service, Publications Ontario, Ministry of Government Services, 50 Grosvenor Street, Toronto, Ontario, M7A 1N8. Phone 416-326-5310, 326-5311 or toll-free 1-800-668-9938.

Les Armoiries

Les nouvelles armoiries paraissent sur la couverture du Journal des débats. Présentées à l'Assemblée législative de l'Ontario par le gouverneur général le 26 avril 1993, elles soulignent le caractère distinct de l'Assemblée et mettent en valeur l'identité de l'Assemblée par rapport au gouvernement. Les armoiries ont été créées en ce moment pour marquer le bicentenaire du premier parlement du Haut-Canada et le centenaire du présent Édifice de l'Assemblée législative. De plus amples renseignements sont disponibles en composant le 416-325-7500.

Table des matières

La table des matières des séances rapportées dans ce numéro se trouve sur la couverture à l'arrière de ce fascicule, ainsi qu'une liste des membres du comité et d'autres personnes ayant participé.

Renseignements sur l'index

Il existe un index cumulatif des numéros précédents. Les renseignements qu'il contient sont à votre disposition par téléphone auprès des employés de l'index du Journal des débats au 416-325-7410 ou 325-7411.

Abonnements

Pour les abonnements, veuillez prendre contact avec le Service d'abonnement parlementaire, Publications Ontario, ministère des Services gouvernementaux, 50 rue Grosvenor, Toronto (Ontario) M7A 1N8. Par téléphone : 416-326-5310, 326-5311 ou, sans frais : 1-800-668-9938.

Hansard Reporting Service, 481 Legislative Building, Toronto, Ontario, M7A 1A2. Phone 416-325-7400. Fax 416-325-7430

STANDING COMMITTEE ON PUBLIC ACCOUNTS

Thursday 3 June 1993

The committee met at 1009 in room 151.

ANNUAL REPORT, PROVINCIAL AUDITOR, 1992: MINISTRY OF HEALTH

The Chair (Mr Joseph Cordiano): The members of the public accounts committee will come to order now. On our agenda for today we're dealing with the Ministry of Health registration system, which referred back to section 3.10 of the Provincial Auditor's 1992 annual report, the smart card technology.

ROYAL BANK OF CANADA

The Chair: As you recall, we wanted to hear from the Royal Bank of Canada, which is present, I hope, this morning. Mr Martyn Cooper and Mr Norman Achen, would you like to come forward, please. Welcome to the committee. You can make your presentation, and customarily we have questions by members of the committee, so if you'd like to proceed in that fashion, then please do so.

Mr Norman Achen: I'll first introduce myself. I'm Norman Achen, senior vice-president of marketing and corporate banking at the Royal Bank. In this function, I'm responsible for all aspects of product development and marketing and service quality to our business clients throughout Canada and around the world.

As you know, we have a large and long history in data processing and computer networks today, and Martyn can fill you in more on the technical aspects. Maybe I'll just give you some background. Today, we have something like 1,700 branches, 3,800 automated banking machines and 15,000 business clients coming in to us either on an on-line basis or on a batch basis throughout the day. So we run a very large network, and we have also issued over the years millions of Visa cards and client cards for entitlements throughout our system. Martyn will give you more details on that. I'll just sort of set the background.

Mr Martyn Cooper: Good morning. My name is Martyn Cooper. I'm the manager of technology integration for the Royal Bank of Canada within the systems and technology department. I've worked in the banking industry now for 21 years, and I've been involved with most of the major technology initiatives that the banks have undertaken: ATMs, point-of-sale devices, electronic banking services to our clients, and I've also been involved with smart card technology for about five or six years. The bank has a great interest in smart card technology and we see it as an important technology in terms of our card-based services. That essentially is the way we identify and authenticate our customers and offer those services.

I've also been involved for a good number of years in looking at other opportunities the bank could move into. One of those fields is health care. We've been looking there at some of the problems and possibilities within health care, and we really sort of view that as having much the same sort of problems and needs as banking has. It's got a very large client base of multiple millions, and the Royal Bank has about 30 million customers when we look at both our normal banking cards and our Visa cards. We manage sort of a terminal base in terms of ATMs and banking terminals in the tens of thousands. We run something in the region of 20,000 personal computers attached to our networks. We process tens of millions of transactions on a daily basis, and I think we do it fairly well.

In terms of health care, we saw there being a similar sort of situation where there's a large client base and cards needed to be issued to those people to identify them and to authorize them to use health care services. In order to manage a wider health care service and the information that comes out of that, there appears to be a need to put devices into doctors' offices, into hospitals, into pharmacies, so they can identify their customers, have better information so they can treat them better, and of course the ministry needs all that information collected centrally so it can manage outcomes and manage some of its programs.

We see there an almost direct parallel to what the banks do on a daily basis, so we thought that the banks could offer their expertise in these areas to solve some of the problems that we see being faced by the province and the ministry.

The Chair: Okay. Any questions?

Mr Robert Frankford (Scarborough East): Perhaps I could have some guidance. Are we going to be hearing a particular proposal on how it should be, or are we going to discuss—

The Chair: Perhaps you can answer that.

Mr Martyn Cooper: We came along on the invitation of the committee. I believe at a meeting several weeks ago, there was an article that Mr Callahan had that was given by the Hamilton Spectator. There we were showing some software and talking about the use of smart card technology in particular and the ability of that technology to answer some of the issues that seem to face the ministry with cards: the overissuance of cards, the potential fraud situations that maybe are happening out there because of the overissuance of cards and the strain that puts upon the ministry in terms of budgets.

That's really what we came to talk about. We didn't have a prepared presentation, we thought we would answer questions, but if you would like to talk about smart card technology and its potential in some of these areas, especially the relation to health card fraud, then we could do that.

The Chair: Might I suggest that we have a little elaboration on what you see the potential for that is.

Mr Noel Duignan (Halton North): I've got a point of clarification. We're talking about smart cards. Are you talking about a smart card as a card with a microchip in it, for example, containing X amount of information, or are you talking about making the existing card smarter?

Mr Martyn Cooper: I think there's the option of making the existing card smarter to answer some of the problems that the ministry faces in terms of fraud. There's also the option to move to smart card technology, which has a greater potential to address some of the other issues facing health care. Maybe if I could talk about smart cards for a while and expand on some of those ideas, it might generate some questions.

We have some smart cards here, if the committee would like to take one. There's certainly some there. There is a card here that we've cut the corner off, that shows the microchip in the back.

Mr Duignan: Just on that point, as you know, the smart card itself is a very expensive card to produce and worth $10 to $15 a card, which in this time of tight money is really an exorbitant cost. There was also the question of the information contained on the smart card, whether the whole question of privacy and the Freedom of Information and Protection of Privacy Act would apply. So I would like to hear a little bit more about how we can make the existing card system we have smarter rather than focusing on the smart card.

The Chair: Before we do that, Mr Frankford, do you have another question? You had the floor, actually.

Mr Frankford: Actually, one piece of clarification: Mr Duignan referred to them costing $10 to $15. I would like to know the cost, plus I could mention that when we had the discussion of the Fort Frances project, I asked if we could get the budget of that, which I don't believe we've had yet. Could we repeat that?

The Chair: Perhaps Ray can clarify.

Mr Ray McLellan: That was sent out to the clerk's office, I think, a week ago. I have an extra copy here if you'd like to see it.

Ms Dianne Poole (Eglinton): It was distributed to members. At least, I received one in my office.

Mr Duignan: I received one as well.

The Chair: Then if you have an extra copy—there, Mr Frankford. Perhaps we can proceed with a little elaboration on what smart card technology is all about.

Mr Martyn Cooper: Smart card technology is, as you can see, a small computer chip contained in a typical plastic identification card. Behind the gold contacts there is a microprocessor which has the power equivalent to some of the earlier computers. It can actually process information on the card and it also has storage capabilities to store information on the card. Technology today would allow it to store about 20 to 30 pages of information typically, which is a fair amount, depending upon the application.

The cost of the technology now in the sort of volumes we'd be talking about for Ontario is probably less than $5 a card from our current estimates, information from suppliers. Really, when you look at the technology as such, you have to weigh it against the alternatives, and the alternatives are, obviously, the sort of current card with a magnetic stripe on the back.

1020

When those cards start to be used and they're starting to be used in some sort of information service where the card is swiped in order to identify a citizen and the various services available to them under the Ontario health program, then you would start to use that magnetic stripe and read information from it.

Magnetic stripe technology is very sort of fragile. It's very fragile to magnets, and a large amount of magnets are usually stored on purses or on wallets, and magnets are often carried around in people's handbags or they've got magnetized key-rings, and those stripes get damaged quite easily. The failure rate that you can experience there is up to 30%, so it means that they have to continue to be reissued if they're being used. Once you take that reissuance cost into account, the comparison to smart card technology, at $5 a card, becomes pretty close.

The benefits the smart cards bring then have to be taken into account. The main benefits of smart cards fall into three areas.

There's the confidentiality of them, and I believe there has been a provincial report out from the privacy commission on smart card technology in terms of its confidentiality and its relevance to health care, and they came out in favour of the technology.

There's also the security of the card. Now, if we look at the present implementation for cards in health care, there would appear to be three problems in terms of fraudulent opportunities. One is the overissuance and the ability to get a card quite easily, and I think the numbers being talked about are 1.2 million or thereabouts, cards in issue above the number of population in Ontario. It's fairly easy to get a card, and I'm sure there are some fraudulent situations being perpetrated there, things in the area of selling cards maybe to the United States for their citizens to use the system. We hear stories about organized crime having drug rings to get prescription drugs free and then selling them on the

street.

Then the second possible fraudulent area, if those sorts of gaps can be plugged—and I think they can, and we can talk about that later, Mr Duignan—is the cards become very easy to copy. Those cards can be produced quite easily and copied quite easily and then those cards could be used to get health services.

The probable third area of fraud is where individuals give their cards to relatives or to friends who live outside the country and who come in to use the health card services.

Smart card technology can start to address some of those issues in that it's a secure technology; it can't be copied. The ability to store information on the card would be such that you could store, say, some demographic information about the cardholder—maybe sex, height, colour of eyes, birthmarks—so that a doctor or a medical provider could look at that information before providing service. They could say at least, "Yes, this probably is a valid cardholder," and suchlike.

The benefits of the card would also then extend into things that the health care experience now has problems in, such things as drug reactions, where 70% of seniors, it's estimated, end up in hospital to be dried out from drug interactions where they visit multiple doctors and get multiple drugs prescribed and those drugs interact with each other and cause problems. They estimate that something like 22% of people diagnosed with Alzheimer's are purely suffering from drug interaction problems.

The possibility to store, say, a prescription history on the smart card so a doctor or pharmacist, before they prescribe drugs, could look at those interactions would obviously take some strain off the system and reduce a certain amount of cost. I think that was proven out at the North Bay pilot where smart cards were issued to veterans.

You could also store information on the card that could be used in a medical emergency, such non-confidential information as, say, next of kin, any sort of conditions a person had: heart conditions, any allergy to any particular drugs could be accessed.

That's why we see smart cards as being of benefit and why we in the banking industry are interested in them in terms of some of the services we offer.

Ms Poole: I'd like to take a look at the costing of the smart cards. I think Mr Duignan mentioned it could cost up to about $15 per card and your estimate was that it would actually be less than $5 per card. Was this based on a certain quantity?

Mr Martyn Cooper: This was based on quantities of millions.

Ms Poole: So this would probably be an appropriate figure to use if you were looking at the health care system. When we had people here from the pilot project several weeks ago, they mentioned the fact that it was possible to put on the smart cards certain types of identification, for instance, photo ID or fingerprints to ensure that fraud is eliminated. It appeared that in the pilot project they were not actually looking at these two methods.

Have you had any experimentation with those methods of identification being incorporated into a smart card?

Mr Martyn Cooper: We've looked at the fingerprint technology. It is a possibility. It's got some reliability issues at the moment, but it's a fairly simple means of identifying an owner of a card. It's one of the biometric techniques. There are signature verification techniques which we've had some experience of where the signature can be codified in the card and verified. There are also retina scans.

I think in any sort of public system a fingerprint scenario is a possibility and it's a good possibility.

Mrs Margaret Marland (Mississauga South): Excuse me, what was the word before scans?

Mr Martyn Cooper: Retina scan, sorry, an eye—

Mrs Marland: Oh, retina, sorry, I couldn't hear it.

Mr Martyn Cooper: Fingerprints are a possibility and quite a convenient way for people to identify themselves. You can store pictures in the card. That's been done by certain organizations in the States, especially high-security organizations where the card is inserted and the picture comes up on a screen for someone to view so they can identify that person as being the owner of the card.

As I said, there are other less intrusive ways of doing it. One could store a profile of that individual in the card in terms of height, eye colouring, birthmarks, sex, maybe age grouping so that you could say, you know, if I've got a female's card, then obviously I'm not authorized to use that.

There are multiple ways you can use the technology to identify people. You could store in the card simple information like mother's maiden name or place of birth and ask those questions if you had any doubt that person was the owner of the card. I think there are multiple ways of identifying people as owners.

Ms Poole: In your opinion, if the fingerprint mechanism was used, would this entail considerable additional cost to formulating either the smart card or the reading of the smart card, or could it be easily incorporated into the card without additional cost?

Mr Martyn Cooper: It wouldn't increase the cost of the card; it would increase the cost of the readers in those locations where the card was used by, I would think, a marginal amount. The technology is becoming readily available now. It's becoming fairly cost-effective. We have a couple of readers here. We've got a smart card reader here that could be incorporated into a PC. They were talking about the $10 to $15 range for

a reader in a PC.

We have a terminal here that we use for our corporate clients who dial into the bank for service and that's more powerful, with a modem in and a keyboard for entering passwords and a display for information. That could be a standalone terminal in an office. To put a fingerprint reader on would increase the cost marginally.

1030

Ms Poole: That's quite interesting. How much does this particular reader cost, the one that's more sophisticated?

Mr Achen: I think when we started out—and we developed this from scratch about 1985-86—it was fairly costly in terms of technology at that time. I think we were in the area of $900 a reader. That's gone down considerably now. But we're not buying these in the volumes that you would be talking about for the health care system in Ontario. We have about 2,500 corporations, and each corporation might on average have four or five, so you're only talking about $10,000. Once you start buying in volume and using today's technology, I imagine you could get that down to a couple of hundred dollars.

Ms Poole: But it is interesting to note that you can purchase a modem for $15 or $20 that would attach to any PC. I don't recall getting that type of information when the pilot project people were here, that there was something that effective and that inexpensive that could be used as a reader. This is quite reliable and it would probably do everything that you need, except perhaps if you went into fingerprint identification.

Mr Martyn Cooper: Yes, this would just simply read the card. The card gets inserted and it's read. This would have to be attached to a personal computer that would interpret the information on the card and transmit information to be written to the card. But the cost of this technology now has all been driven down by volume. You're probably aware of the cost of personal computers now and how they're being driven down by volume.

Ms Poole: But the advantage of this is that most physicians, or certainly many physicians, many health care facilities, certainly all hospitals, would already have their PCs in operation, so for minimal cost it would be able to establish the reading facility.

Mr Martyn Cooper: Yes, so the card could be carried around as an identification mechanism and contain some sort of information that would help increase the effectiveness of health care in terms of prescription histories and allergies and common symptoms or whatever.

Mrs Marland: I hope we're not seriously considering anything that incorporates fingerprinting. I think we would have an uprising in this province and I would probably lead it, if we were going to start for any reason other than the reason that exists today under the Criminal Code. I wouldn't support anything that was even discussing a fingerprint identification system, because I really see that as an invasion of privacy.

Just to be perfectly straight about it, if that were the case, we would be asking patients to come in and give an imprint at the time that they were asking for a health service. I mean, really, it would be wonderful, especially if they were unconscious at the time they came in. I think the ramifications of using that would be atrocious, absolutely atrocious.

However, I think there are some exciting aspects of this discussion, especially because one of my questions was going to be, what kinds of costs are we looking at for the individual physician or health care practitioner around the province? If you're talking about someone who already has computerized equipment, an additional $10 or $15 is nothing. I'm sure that the beleaguered physicians around the province are probably saying, "Everything is something," at this point, especially today, with the raging debate of the social contract.

When you're looking at the aspect of the protection for the user in terms of the example that you gave about seniors and multiple medications and so forth, of course there are chains of pharmacies which currently boast that this is one of the reasons you should go to them, because that's what they're doing; they're keeping everything on record. But I think anything that protects the public from itself in terms of abuse with remedies for health problems would be worth pursuing.

To be perfectly direct, is the interest of the Royal Bank—and I'm speaking as a Royal Bank customer—to be able to combine a total service? I'm sorry I missed the first few minutes of your opening comments; you may already have answered this. We're just being invaded by GM cards, all kinds of plastic cards for any organization that wants to give you the privilege of spending $1,000 a month and then getting a 5% credit towards buying their baby buggy, whatever it is. What is the interest? Is it a very strong business interest that's driving the Royal Bank in your research department or is it that you are seeing other advantages through your business and commercial accounts in banking?

Mr Achen: As I mentioned at the beginning, we have 25 years' experience in issuing and managing a card system, which started out, if you'll recall, in the old click-click machines in very much a manual, paper mode. Over the years, as technology advanced, as communications costs came down and as need increased to prevent fraud and misuse of cards, this has come today to be very much a large, on-line network across the country where the cards and the transactions are recorded in electronic form.

So we have long experience in providing total solutions in a banking environment which has the elements that you're talking about in a health care

system; that is, entitlement and issuance of the card, the ongoing maintenance of a card base and ensuring that the cards are reissued and maintained and used by entitled users, and then the transmission and storage of that data.

We are not a smart card manufacturer. We are not advocating a particular smart card. But we do have experience in that whole chain of activities, from issuing cards, maintaining cards, transmitting information, running on-line networks and the like.

Our interest is in helping Ontario with its health care network that has been talked about in its various pieces. We have had discussions with government officials and made proposals.

Mrs Marland: I was going to ask you that. Whom have you talked to?

Mr Achen: We've had meetings with the deputy minister and other officials—

Mrs Marland: Of Health.

Mr Achen: There was a three-bank consortium that responded to the request for a proposal for the Ontario drug program, led by the Royal Bank. So we've had an ongoing interest in this and have tried to participate and add advice and our expertise to the equation.

When you get into a chain that I described, of issuing cards, maintaining cards, using cards, transmitting and storing the information, you're talking about a long chain of activities. You have been discussing, in your committee, various aspects of this chain, from the issuance and the entitlement through to the technology.

Mrs Marland: You mentioned a deputy minister. Was that the Deputy Minister of Health?

Mr Achen: Yes, the Deputy Minister of Health.

Mrs Marland: What was the reaction that you got from that deputy?

Mr Achen: In our various discussions, I would say that the ministry officials were very interested and asked us a lot of questions and, I would say, took the information under advisement.

1040

Mrs Marland: Would they have to use your system? If they decided your smart card was the way to go—well, first of all, I'm sure everybody wouldn't have to have a Royal Bank account, but they would have to use your hardware system. Is that right?

Mr Achen: No, that's not necessarily true. No.

Mrs Marland: No?

Mr Achen: There are many ways you can construct the operation of the entire chain of activities using pieces that are purchased from outside vendors. Obviously, the card would be purchased from somebody, but the network and the various technologies would be purchased from a variety of suppliers. There is no one supplier that has the total answer, because if there was, I'm sure you would have talked to them by now.

You're talking about a very long chain of activities which has very many permutations and combinations to it and can exist in paper form or can exist in an on-line, real-time, fingerprinted or some very-high-level-of-technology form. What each government has to decide for itself is how it proceeds to build that chain: what are the weakest elements, what are the elements that are strongest that it already has, and how it fits it together and how it improves it over time.

As I said, we started with our Visa system in a paper mode with simple plastic cards and now we're into electronic networks linking to other banks, and linking worldwide to other banks.

Mrs Marland: Have you any advice about anybody else we should be talking to based on the Royal Bank's experience of gathering your information?

Mr Achen: I'm not aware of all of the people that you've already talked to, so I—

Mrs Marland: Would you be willing to give us a list of experts in this field that we might like to talk to?

Mr Achen: Our position always has been that we want to work with the government to help construct the total solution, to bring our expertise, our particular experiences and expertise, to the equation. We would not claim to have all of the answers in this particular case, but we could certainly contribute to the equation.

Mrs Marland: By giving this committee the information, how would—

Mr Achen: We could give this committee various types of information and, as I said, we have met with Ministry of Health officials and have been putting into that equation also.

Mrs Marland: But when we're in opposition, we don't get to attend those meetings. So all I'm saying is that I think there would be an advantage for the committee to know who in the industry you might suggest we might also like to talk to as a committee. That is what I'm speaking of.

Mr Achen: Oh, I see. Um—

Mrs Marland: No, I'm sorry. I'm not suggesting that you do this now. I'm just wondering if there may be some prominent names of industries or individuals that you might like to submit to us for our consideration, because obviously this committee has no expertise in this area—I think that's fair to say—other than, thank goodness, our staff who sit on this committee. But it would be to our advantage if there were other people that we should be hearing from, and if you would be willing to submit those names to the clerk we'd certainly appreciate it in the future.

Mr Duignan: Could I add something on that point, Margaret?

Mrs Marland: Go ahead.

Mr Duignan: Including the company that processes the information for the Royal Bank. For example, when you swipe your Visa card, it's cleared through a company in Mississauga. They're the ones that do a lot of the process and they're the ones that give you feedback on the information, the transactions that take place. Right?

Mr Martyn Cooper: Yes.

Mr Duignan: So they're the ones that handle a lot of the processing of the card. They're the ones that tell you whether the card is good or bad?

Mr Martyn Cooper: No. Each individual bank whose customer is issued with a Visa card maintains those transaction records and does that approval. There is a switch that the banks own, and all the terminals in our worldwide network—because you can access your Royal Bank account from Europe or from America. They all go through a switch, and that switch passes it off to each individual bank to authorize and validate and approve.

Mr Duignan: All the cards go through this particular company in Mississauga, all the Visa cards.

Mr Martyn Cooper: Oh, I see. There's a company in Mississauga that produces our cards, yes. We use that company to produce our cards.

Mrs Marland: You're talking about the manufacture of the item?

Mr Martyn Cooper: Yes, manufacture of the item and the imprinting of the item. All they do is just make a dormant piece of plastic and then the customer has to come into a banking device in order to start to use the card, the service. The personal identification number is selected in their branch and stored on our computers.

Mr Duignan: I don't want to jump the gun here. I don't know whether your bank uses this particular company in Mississauga, but every transaction that takes place, if I take my Visa card and go to a supplier and buy something and it's swiped through, it's cleared through this particular company in Mississauga. I was there. I was wondering, does your bank go through that?

Mr Achen: The Visa clearing centre.

Mr Martyn Cooper: There's a company called TDSI, but we don't use those.

Mr Duignan: You don't use those.

Mr Martyn Cooper: I think smaller financial institutions use that service.

Mr Duignan: I'll get to that later, because someone else is waiting.

The Chair: I have several more people on the speaking list and I'm going to move to Mr Frankford, who's been patiently waiting.

Mr Frankford: Perhaps, for a start, let me get back to reality. We are talking here about the delivery and payment of health services primarily, and doing those in the most cost-effective way. Let me just make a comment now that I have many reservations that this is going in the right direction at all. I think there is a whole sort of feeling that there are technological solutions, but I think there are other solutions and I'll perhaps get into that later.

On this, one is really talking about the interface between providers and the population, and I would remind you that we're talking the entire population. This is not bank accounts. This is everyone from birth to death, maybe even before birth. This is a very different situation we have from banking, and I think we have to be very, very cautious. The banking paradigm, with respect, is really quite simple. It's about the transfer of money one way or another, or paying for straightforward transactions like restaurant meals. That is really quite different from the complexity of health care, and I think there's a real problem that a lot of these discussions have been predicated almost on that simple transaction mode. You, consumer, decide to go to a physician to provide almost a discretionary service. Well, this is not the case. We're dealing with people who are sick, who need constant care, who may be hit, found unconscious. We have many situations like that.

Perhaps at this point, I would like to reiterate a suggestion I made last week that the people who come to this committee should include certainly the Ontario Medical Association and I think perhaps the College of Physicians and Surgeons of Ontario as well, because of the confidentiality issues. If we go along with this, many of the things which have just been allowed to go by I think have profound implications for professional traditions and the way the professions conduct themselves. So I think I would make that request at this point.

We've been going along with this assumption that we know what it's about. It's sort of transactions that then get reported back. This I think goes along with a assumption of a fee-for-service paradigm, which I would remind you is certainly not the universal case, and we should keep on reminding ourselves of that. Certainly, the ministry has reservations about that. I don't think it has any overall policy on the payment mode, but we certainly have a mixture. I have my personal, very strong views on that.

1050

I assume that Mr Cooper and I come from the same country, and I know that the way things are organized there is quite different. It is not, so far as I know—and I've not been there lately—demanding a reporting to the centre of every clinical transaction requiring cards. None of this is to be taken that I'm in any way against computerization. I believe we have all sorts of networks, I believe we have to have all sorts of reporting back, but I think perhaps we should be thinking of those data we get being aggregate data. The requirement for them

all to be individually reported is questionable, and I very much go along with Mrs Marland's points about the confidentiality issue. It's easy to talk of all this, but I hear some real Big Brother implications. If that's the worst implication, then we'll start making all sorts of exceptions and I think what starts off as an apparently neat system just gets into a complete mess.

I said I'd give some other people some time, but may I just ask you something? I felt there would be use in having the Royal Bank. You certainly have expertise in enrolling a large population. As I recall, when I got your bank machine card, you could choose your own number, because I did. I thought it was convenient that I would use another of my personal identifier numbers.

Mr Tim Murphy (St George-St David): Don't say it on the record.

Mr Frankford: I actually chose the first six digits of my OHIP number, so in fact I was using the two. Now the ministry's gone and changed it, and I don't intend to start learning my 10-digit OHIP number.

Have you looked at the process that took place for giving everyone a card, and do you have any thoughts on how that could have been done better? Let me just throw you a suggestion you may not have thought of: What about letting people choose their own numbers?

Mr Martyn Cooper: That's a possibility. Like Mr Achen said earlier, it's not just a single solution; there are lots of pieces in the jigsaw puzzle. One is the card; one is some sort of customer identification system where you can check the numbers; and then there's a system that allows people to access it through terminals or whatever, in order to update their number or to see what services have been provided. So it is a total picture.

The banks don't presume to offer a solution for health care or to identify the problems. What we would say is that we've got some expertise that could perhaps help.

I take your point about Big Brother and about the pitfalls. We've certainly discussed and had multiple meetings with the OMA and the Ontario Hospital Association about these concepts, and they're fully in tune with some of the needs and some of the solutions.

In terms of the UK, there has been a big smart card pilot held in Exeter; it was used for certain health groups like diabetics and children to try and improve the flow of information between the family practices and the hospitals. So they have been looking at the technology to solve some of their problems.

Yes, we've looked at how you could register people in Ontario in a way that would use technology and solve some of the problems. I think issuance of the card has got to be completely open and available to everybody. I wouldn't presume to say what sorts of documents could be used there to identify people, but certainly when the cards were issued or were in use, one could run a check against Bell telephone databases, say, to say that the telephone number that was maybe given had the same surname as the person who was applying. One could check against the postal system's databases to check to see whether postal codes matched the name of the individual. One could check against electoral rolls to check that addresses matched up with individual names.

One could do those checks. Once the database was in existence of registered citizens, one could run checks against that, and we have to do that all the time with our bank files. We run what we call deduplication programs to check to see whether or not we have people with the same name and the same address having an account at different branches, because we like, in order to offer service to our customers, to know all the services they have so we can tie them together and offer them better packages. But yes, one could do that: One could do deduplications.

In terms of keeping track of the issuance of cards, one could tie into births and registrations and deaths to update the file in those instances. One could look at usage patterns to check to see whether cards were being used inappropriately: too many visits to too many doctors in too short a time frame; procedures, say, that were impossible to give—a pregnancy after a hysterectomy; things like this.

I think there are lots of things that can be done to plug some of the gaps with the current system using the current technologies.

The Chair: I don't want to interrupt, but I have Mr Murphy and Mr Duignan who want to have a question as well.

Mr Frankford: Let me just point out one substantial difference is that we have an unregistered population and that these unfortunately tend to be the highest-need group: street people, natives. So this is one important difference to consider.

The Chair: Mr Murphy is next on the list and then Mr Duignan.

Mr Murphy: I was just wondering. I'm a Royal Bank customer and the card I have has the strip along the back, which is basically the same as the current health card, although we don't use the strip currently. In terms of the card with the strip on the back, the personal identification number is issued. What mechanisms do you have to control fraud with a PIN number, and do you have statistics as to how much fraud happens with a PIN number control system for the use of the card for the bank or across the financial institutions in general?

Mr Martyn Cooper: The card itself is just an identification vehicle, so all that does is just identify you as Mr Murphy, with a number that goes against our database at our computer centres. The personal number

you enter on the terminal device you use is a secure device, and those personal numbers are then encrypted using encryptographic techniques for transmission over telephone lines. We use a one-way encryption capability so that we can't decrypt it when it gets back into the financial institution. Your PIN is then checked at the FIs for validity, and that's how we basically identify you.

We basically have some fraudulent situations that occur. It's a very, very small percentage, but we're continually upgrading our systems to check. Any system you implement I think has got to have monitoring systems attached to it so you can identify any frauds and react to them as soon as you see them happening.

Mr Murphy: Can you give me a sense of what that percentage of fraud is? I don't know whether that's competitive information with other financial institutions, but is there a broadly-based figure that all financial institutions experience on an average, or is that guarded?

Mr Martyn Cooper: We aim for zero and we achieve zero. We don't experience frauds through our banking networks. We experience attempts, but we don't experience any real successful ones.

Mrs Marland: You mean through the use of these cards?

Mr Martyn Cooper: Through the use of the cards and ATMs and our devices. We are totally secure there. We have people who try and defraud the system, but we usually pick them up. I really do think we aim for zero and we achieve zero.

1100

Mr Murphy: Obviously, what we're trying to do and what I think Dr Frankford and Mrs Marland were saying is to come up with a system that allows us to have some of the smart card technology without having the Big Brother component, without an identification that is so onerous as to be an unnecessary invasion of privacy. I think we all agree with that. We're just trying to move towards a system that's both efficient but also not an invasion by Big Brother or Big Sister.

What I'm trying to get at is whether there are some less-than-fingerprinting methods that can be sufficient to be a control and a monitor on the system. That also serves the purpose of eliminating, to the extent you can, fraud. The PIN system alone obviously isn't enough, because part of the advantage of the smart card technology is what you can put on it otherwise to control the kinds of health care duplications you get in prescriptions or services or other. I'm just trying to get from you a sense of what some of those kind of non-Big-Brother-like mechanisms are that can be used.

Mr Martyn Cooper: I think there are many. I think with mag stripe technology, which is the current health card, you could protect against, say, people passing their cards on to their relatives or organized groups that are selling cards to the US by, say, storing on a database centrally some basic biographic information like height, weight, sex, and allow the providers, if they so choose, to utilize that information to do some further checks of whether or not that person is authorized to have a health care service.

If you don't want to go that far, you could certainly have some means at some central location to go through services that have been provided and try and identify potential misuse of cards, with a hot list then being provided to doctors or to providers to, again, if they so choose, provide some sort of check.

I think an effective way of doing it might be if the information on encounters with the public did exist somewhere. There would then be the possibility of maybe sending a statement to the citizens of Ontario saying, "Here's what we think you've received in the way of health services this year," and for them to say, "I didn't receive that; I didn't receive this," and maybe identify where some card numbers are being passed on to some other individuals who weren't authorized.

I think there are lots of ways of doing it without being too intrusive. It's probably just a need to identify where the threats are and then try and plug those up. Any security system is just a matter of putting bumps in people's way.

Mrs Marland: Is it necessary for the institution, whether it's the bank or the Ministry of Health, to have on record somewhere your personal identification number in order for this system to work? Today, does the bank have our personal identification number recorded?

Mr Martyn Cooper: The banks have your personal identification number recorded in an encrypted system, so your number, when you enter it, is encrypted in a fashion that nobody in the banks can decrypt it. It's encrypted in a one-way encryption technique so it can't be decrypted, so nobody in the banks know your personal identification number, only you. If you forget it, you've got to be issued with a new card and choose a new PIN.

There are ways you can protect those numbers. There are ways of protecting, say, an individual's autonomy by not storing a name or an address with a card. You just keep a number and just track that number and by that number track what services are provided and try and identify it, because all you're dealing with is a number, and if that number comes into your system, then you say, "Well, maybe I should check." I think there are ways of maintaining confidentiality and privacy without too much of a problem.

Mrs Marland: Madam Chair—

The Vice-Chair (Ms Dianne Poole): Mrs Marland, actually Mr Duignan was next on the speaking list, after

Mr Murphy. If you like, I'll put you back on the list for after.

Mr Duignan: I have just a couple of questions. Do you use the smart card technology yourself at the Royal Bank?

Mr Martyn Cooper: We do. We have two implementations. All our corporate customers and our independent business customers who want to access the bank from their places of business using personal computers are issued with smart cards to (a) secure that link and (b) secure who has access to those services at their own site. We use smart card technology as a security mechanism for that.

At our computer processing centre in downtown Toronto, we have approximately 2,500 people issued with smart cards. They use those cards to access the building. We have restricted access to certain areas using that technology.

We're using it, I think it's fair to say, in niche applications at the moment within the bank.

Mr Duignan: Are you anticipating expanding that smart card system to every user of the Royal Visa card for example?

Mr Martyn Cooper: We have looked at that. We understand the benefits of being able to deliver new services through the card. We're responding to the government request for use of the technology. Welfare and unemployment insurance, federally, have looked at using the cards to allow unemployed individuals to get their income much easier through banking devices. We've responded to that.

We have certain transit authorities in Ontario looking at using the card to provide easier integrated fare payment mechanisms so that an individual can get on a bus in Oakville, use the GO system and then use the subway system, pay one fare and have that split back between the authorities. We're looking at how we can help various authorities use the card. We've looked at it in terms of our own networks, issuing it to all our customers.

There are certain smart cards standards committees now working at the Canadian Payments Association level to set standards so that if we do choose to implement the technology, we have those standards in place.

Mr Duignan: I agree with Margaret Marland, that I would have real objections to using fingerprints or eye scans for ID. That smacks way, way too much of Big Brother.

Mr Martyn Cooper: I agree.

Mr Duignan: That's going overboard. But I also believe that I think we can use existing technology a little smarter as well, existing cards, as you indicated earlier.

I'm wondering, for your own employee health benefits, for example, do you track those? Do your employees have a card that they use every time, for example, if they're sick and they go to a drugstore? Do they use a card or do you still use paperwork?

Mr Martyn Cooper: We still use paperwork. There have been proposals by companies to issue card-based plans to employees of organizations. The problem there is that there is no infrastructure in place within the pharmacies to read these cards and to process the transactions to some sort of central point. The pharmacies have always been waiting for the government to take the lead, because they don't want to end up with multiple devices on their counters: one that will read government drug benefit cards, one that will read insurance company cards and one that will read a Visa card, say. They're waiting for a solution which will integrate all the possibilities together.

Mr Duignan: Even though there is a fairly extensive card-use system in place at this present time in pharmacies.

Mr Martyn Cooper: There's a fairly extensive system in place in some pharmacies, but I believe the card is used as an identification mechanism and then the forms are filled out on the computer. I don't think there's any yet that reads the stripe on a card and uses that to generate a transaction.

1110

Mr Duignan: There's a company in Mississauga which a lot of the insurance companies use to process the information. They have an absolutely fabulous system. They can pinpoint what pharmacies are on line, wherever the system is in a particular community. I'm just curious that the Royal Bank, for example, which is encouraging the government to get into the smart card system for health care use, hasn't looked at an internal system for its own employee benefits system.

Mr Martyn Cooper: We have, but like I say, we were wanting to fit it in with an integrated system that would fit into the province as a whole.

Mr Duignan: Yes. Because as you know, the province is moving that way, towards the drug benefit cards, hopefully some time this year. So when that happens, you'll be looking at integrating your system in with that system, with the pharmacists.

Mr Martyn Cooper: I would think we would look at that.

Mr Frankford: Madam Chair, there's another deputation.

The Vice-Chair: Yes. Actually, Dr Frankford, thank you for pointing that out. We are somewhat behind time, but this information was quite valuable, so I would like to commend our two witnesses. I think we have a brief comment by Mrs Marland before we go to our next witness.

Mrs Marland: My comment is probably a little facetious, but I have enough cards here. I didn't want to show you the TD one as well. But I have 11 cards here, and if there is a technology where, if I have to go to the hospital or I have to go to the bank or I have to go to the video store or whatever it is, if we could put all of that on one card—I really commend the Royal Bank for the research and development that you've done in this particular field alone. I think it is commendable that your board has decided, from a corporate perspective, to pursue the development of this technology. I hope it's one that the taxpayers of the province can benefit from, through somehow perhaps even this committee being in a position to recommend that we go to a technology that eliminates us carrying around—it's the risk, I think, that I'm talking about when we have this many cards.

Of course, for an extra fee, you can secure the replacement of all these cards. How absurd. We've got ourselves into such a situation now where we have to register to protect ourselves from when we lose these and your whole world falls apart because suddenly you've lost all your ability to move and function.

I agree with us not carrying money any more, and I think to be able to use cards is marvellous, but I also think that the embarrassment we are in at the moment with how much fraud has been evolving around the use of health cards is just deplorable. We can't live as legislatures with permitting the ongoing fraudulent use of health cards. I really appreciate the fact that you may have the solution for us or lead us in that direction. I think it's excellent.

The Vice-Chair: Thank you for your comment, Mrs Marland. I'll take it as a comment rather than a question.

I'd very much like to thank Mr Cooper and Mr Achen for coming on behalf of the Royal Bank today and for your assistance to our committee.

Mr Martyn Cooper: Thank you.

BRYKER DATA SYSTEMS LTD

The Vice-Chair: I'd like to call our next witness, Renah Persofsky from Bryker Data Systems Ltd. Ms Persofsky is the vice-president of business development. Good morning and welcome to our committee. If you would like to begin by giving a brief presentation on smart cards and your involvement with it to members, then we'll open up for questions from the members.

Ms Renah Persofsky: Firstly, what my understanding was of what I was talking about today is card technology in general and the use of card technology. I think smart card may be one thing that I'll talk about, but very briefly, in that part of my belief is that smart card is a technology looking for a solution versus the other way around. So I'm going to have a different approach than what the Royal Bank and some other people have on smart cards.

There's a presentation that I prepared and some copies are being made of it, so I will get started and then we can go through some of the stuff I wanted to discuss.

I'll give a bit of background in regard to our organization and what we do in the area of card and card technology, and then go through on what I was prepared to talk about today.

Our company, Bryker Data Systems, does the credit card authorization service for the government of Ontario. It's a new service that has been put into place and we are doing it for the used vehicle information package program, UVIP, at the present time and credit cards services are going to be expanded with the government of Ontario.

Computer and telecommunication services put out a contract or a request for proposal, an RFP, in which we want to do the credit card authorization in conjunction with them. Their feeling was that they did not want the banks to have ownership in dealing with it, but we actually have a switch that does the authorization in conjunction with the two lead banks that the government does business with: CIBC and the Bank of Montreal. So we're going to be talking in regard to authorization services in regard to credit cards and there are ideas that can be done based on that for what we can be doing with the health card and other cards.

I think there are a lot of issues that have be discussed in regard to a broader issue. Right now, with the Freedom of Information and Protection of Privacy Act, there are a lot of issues associated with the protection of information. The issue in regard to the different ministries and the data that are in the different ministries is a broader issue, in that today you can't go comparing databases within the different ministries. So if you take a health card and you can to compare it with someone born in this province, you can't go to the Ministry of Consumer and Commercial Relations and check on the database to see if that person was born or is dead.

There are a lot of issues associated with comparing the actual information that's available today to check on the use of a card, in particular the health card, in the same way that you can't go to the Ministry of Transportation and check if someone is a valid driver. Those are the issues that are associated with checking on people's cards or the ability to use a card.

On the presentation that I have, I've separated in regard to different categories. We're talking about user's—

Interjection.

Ms Persofsky: Did you want me to continue?

Mr Frankford: Yes.

The Vice-Chair: We'll hold our questions to the end, but members may be indicating, as we go, that they

would like to be on the list, so please just continue.

Ms Persofsky: There is users, ID, authentication, eligibility and services. There has been a committee set up within the government to look at having one government card. A lot of the issues and the problems would be solved if there was one card that would be used by people within the province. The whole concept of having many cards: It was touched on before, about taking out and having a lot of cards for a lot of services.

Today what happens is that a user has a card and the question is, is it a valid health card? What is happening today is that cards are being looked at to say, "Is this a valid card?", versus, "Is this person eligible to be using this card?"

The issue is often not, are the cards valid cards? Right now there are many more cards than there are people in the province, so obviously people are making additional cards, and they can have random numbers, and the issue is then not only, is this card a valid card, but is the person using the card valid to be using the card? That's where a lot of the fraud is and a lot of the issues that a lot of people are talking about, going through and changing the numbering systems or whatever it is.

But I think the issue has to be, can we put a picture on to the card? So when someone goes and uses the card, can you compare the card to the picture and therefore validate that this person is the person who's using the card so that the many cards that are being put out there—because right now you can go and take somebody's card, go to a doctor and use the card.

As far as there's a valid card, I think the doctors have an issue with the valid cards in that right now there are many version numbers to the health card. What has not been publicised is that you receive one card and then you go ahead and say you've lost your card and you get another card, but essentially with a different version number. Most people don't know that there's a different version number so they go ahead and they find their old card and they go back to use their old card, but there's no way of showing that the number is the same. It's just a different version number.

You go to your doctor using your old card versus the new card, and the doctor goes and takes the number. But they have no way of checking, is this a valid card today? So they take the number and a week later you move to BC, and the doctor has a very difficult time now collecting his money because the version has changed; the number has stayed the same but there's a different version on it. So there are issues associated with the versions in the way that the system is on the cards today.

1120

But going one step forward, if the cards have to be changed so that you can ensure it's the right person—people are saying you can show your transportation card maybe, and just show ID associated with it, so when you go with your health card, if you show your driver's licence then you can show you are the person who is on there. But I think then there's an issue of putting the onus on the doctor or the health system on ensuring it, and what happens if you're not that person? Do they have the right to say, "No, you can't have these services now because your card isn't a valid card"? I think there are a lot of greater issues associated with that as well.

If there were a one-government card, though, and we did have the picture of the person on it, then one could look at all the different services that person is eligible for. You could have a card that says yes, you have a driver's licence, so you're eligible to use it for that, that you have an angler's licence, or that you are collecting social assistance and therefore eligible to use the card for social assistance.

The databases are all available, and with CTS having the mandate for the telecommunications for the government, the ability to via switch to go to different databases and have one government card is available today. The technology is there, but we're back to the issue which I stated in the very beginning, and that's freedom of information and going back to all the different databases on ensuring the proper information.

I'm very open to questions from the floor, and once people receive my presentation on different things, if they want to ask questions associated with that, I'm pleased to answer those as well.

The Vice-Chair: Since the presentation is just being handed out right now, I wondered if there were any parts of your written presentation that you wanted to highlight prior to going to questions.

Ms Persofsky: In terms of identification, there are many different ways of using the existing cards and identifying the people. There is obviously the mag stripes that have information on the back of the health card today; there is your date of birth, if it's accurate, on the back of the card, but there is the opportunity of putting more information on that. There are different things that can be done with the card—ghosting, holograms, smart cards—that you've been listening to, so there are a lot of things in regard to identification.

I think there is more in regard to authentication, which is on the next page, that's more important, and that can be done in many ways: a PIN; a photograph; a biography or some information on the user; or presenting another ID. So there are many ways in regard to authentication, but I think that's where it has to be. Just identifying that the card is a valid card I don't think is good enough. It has to be that the person using the card has the ability to use the card that needs to be the issue.

The Vice-Chair: Thank you. We're open for ques-

tions now, and we'll start with Dr Frankford.

Mr Frankford: Thank you. It was very interesting. It's really hard to know where to start. I'll probably make comments more than ask questions.

I guess the distinctive thing about health is that it's a universal entitlement, so one could start by saying that you have that, or if you have something else which is a limited entitlement but tied with your citizenship or residency here, you should get it automatically. One could suggest that if you don't have your health card you could produce your driver's licence, because I think you can only get a driver's licence by being eligible for health care.

Mrs Marland: I know someone with three drivers' licences.

Interjections.

Mr Frankford: That's interesting, because the reality is that the policing of drivers' licences is pretty tough. You get stopped randomly, so you have a strong incentive to do everything correctly. If you have an accident, that's the first thing they'll ask for, and your insurance may be invalid and all sorts of horrendous things may happen. I think one could almost say there's no problem with drivers' licences. I admit this would be useful for a certain percentage of the population.

In fact, I'll make another comment related to what you've said and what the Royal Bank said. There are discussions about putting people's height and weight on. Let me remind everyone that this is also given to newborns and presumably is something that we are designing to remain in place from here to eternity, now that we're doing it. That's not going to work.

Ms Persofsky: In regard to putting pictures on as a government card so that the card is being used for everybody within the province and then having the ability to use it and what services you are eligible to use, obviously, for children you're not going to do that. But for the issue right now, people sharing cards, passing cards, duplication of cards, fraud and everything else associated with it, the amount would go down substantially. If every ministry and every program were doing their own card, the costs are astronomical, so if you can have one card, the cost would go down substantially.

I think the issue is, how do you provide something as well as helping outside industry? Canada's Wonderland today goes through an awful lot of cost of putting pictures on its cards for people to use in the summer so people can't share the cards. If one could have a card that has one's picture on it, it would save the province in regard to that as well.

Mr Frankford: I'll pass the questioning on, but I'll just comment that I think that we may be dealing with a false paradigm in relation to health care, because this is based on a fee-for-service model.

The Vice-Chair: Your presentation's generated quite a few questions, and because we don't have a lot of time left this morning, I'd ask if members could keep their comments and questions as brief as possible. We have Mrs Marland, Mr Murphy and Mr O'Connor.

Mrs Marland: I guess Mr Murphy and I have equal time with the five government members over there, right?

How old is your company?

Ms Persofsky: Our company's been in business for 17 years.

Mrs Marland: In Mississauga?

Ms Persofsky: No, we are actually in Markham. We have two data centres and one in Don Mills. We run three data centres.

Mrs Marland: And you've been 17 years in Markham?

Ms Persofsky: No. Don Mills and Eglinton was our facility before we moved to Markham.

Mrs Marland: Okay. When you talk about the picture on the card, you're talking about a photograph in the real sense?

Ms Persofsky: Technology today allows that it's actually a data picture and it's actually in the card as part of the process of the card. There are many companies—we are not one of them—that produce and make these cards, and they are widely used and widely available today.

Mrs Marland: That's what I wanted to ask you: Are you talking about a picture that is in a chip in terms of a computer interpretation? You're not talking about a photograph; you're talking about a picture of that person that has to be interpreted through computer means.

Ms Persofsky: No, you'd actually see the picture on the card.

Mrs Marland: Then what is the advantage, when you can put the same information in a computer chip? It's another kind of picture, but it still is an identifying mode, isn't it?

Ms Persofsky: It saves it in that if you're giving it to a physician or anybody, they can see it without having technology to go ahead and read it, so they can actually take a look at it, compare and have it visually available to them.

Mrs Marland: I'm interested in the whole aspect of—I mean, if I have a card with a picture of me on it, it still doesn't protect the system from the fact that I may reside in one of the states or another country, so I'm not clear how what you're saying will eliminate that problem, because that's the major problem of fraud.

1130

At the same time also, you talked about—if you can answer that question and this one—the Ontario government card. If you're talking about one Ontario govern-

ment card, does that mean that I get my driving licence, my fishing licence, my hunting licence, maybe my casino credit card and my health card all on one piece of plastic? Is that what you're—

Ms Persofsky: That's what I'm proposing; that's correct. It could be the same way in which one gets authorization on a credit card, where, if you go to pay any bill, they will swipe a card and it will go through the system and say, "Yes, this is a valid card," or "This is not a valid card." You can have it in terms of having a database that it would read against to say, "Yes, this is a valid card and these are the services that are available based on that valid card."

The concept of having the picture on it is to have one compare, is this card and this person who's using this card the same thing? So there are two aspects to it. One is to ensure that, where you're using it, you are the person using the card, because you could, if it does not have a picture on it, give it to your next-door neighbour and say, "Go and say that you're me." And if they go and say, "Yes, this is a valid card," they're not ensuring that the person using the card is the person who is entitled to.

So there's two methods that have to go through the system to ensure the accuracy and the authenticity of the card.

Mrs Marland: In your handout that we've just been skimming through, now that we've received it, there's a lot of talk about magnetic strips. I was given a beautiful snakeskin wallet, and of course a year later I realized why everybody was having to manually input all these wonderful cards I have, because I had kept them in this wallet. What are you proposing? Not to use magnetic strips? The chip isn't impacted by the magnet, is that correct?

Ms Persofsky: That is correct. It's not. My belief is that, because the strip is already on the cards and it's very inexpensive technology—a smart card today is very, very expensive technology. One looks at a card at 78 cents versus—there are different numbers, but $5 to $8 a card with a smart card. So the question is the dollars and cents associated with the different technologies.

A mag stripe is now on the health card today. It's inexpensive technology and widely used. The technology on reading the cards is out there based on that. Card authorization can be used with the stripes as well. That's why I'm saying it makes sense, because it's inexpensive and widely used technology today.

Mrs Marland: Because it already exists, is what you're saying.

Ms Persofsky: That's correct.

Mr Murphy: Obviously, the essential reason we're doing this is to eliminate fraud in the system, although I guess there are a couple of ways in which that fraud can be produced: obviously, the non-resident user problem, someone who might be a valid user but who is doing repeated visits and then selling the drugs on the street or whatever.

So you've got then two points where it can happen. You want to make sure the person who has the card is the person who's supposed to have the card, so you need some kind of mechanism to ensure that happens. The second way is, you obviously have to ensure that the person who gets the card has the right to have a card.

Ms Persofsky: Then you can go one step further. Today you might have the ability to use the services with the card, but next week you may not. For example, today you may be on welfare and have the ability to use the drug program, and next week you're no longer eligible. Well, it's very difficult to get the card back, so what does one do? If there is one card, and now it's just the services that one is checking on to see if they are eligible for these services, then you take away the issue of getting cards and delivering cards back and forth.

That's the purpose and the benefit of having one card, where every resident does have a card because every resident is eligible for health care in this province: It's all the other services associated with it. But you want to ensure that the people who do have cards are residents of Ontario and are not passing cards, duplicating cards or making cards up for other people to be using.

Mr Murphy: So if your goal is, in part, in terms of having the card, to ensure that the person is authorized to have the card, I guess there are a number of ways. Either they come in and fill out a form or whatever they do in order to get the card and you take them at face value, that there's obligation—although there are changes in status, as you pointed out, so if you're going to do something other than just fill out a form, there has to be a place in which that information is stored so that you can check it on some kind of basis to ensure that the right to have the card still stays and still exists.

So the question is, in a magnetic strip card context, that would then have to be stored, presumably in some central computer that the government would have and then the card is merely a way to access into that record, as opposed to carrying the information on the card with you, in the smart card context.

Ms Persofsky: That is correct. Right. So my recommendation is that the information is not carried on. It does not have to be in one central place when telecommunications ability can be in many different places and collecting the information based on many places today. So the whole concept of having one big computer with all the information is not required.

Mr Murphy: Right. So what you'd end up with, especially if you went to a one card for all government services model, is that somewhere you'd have all of the

information the government has about you and about your right to service on one file in one centre.

Ms Persofsky: Wrong. No.

Mr Murphy: Okay. How do you protect against that?

Ms Persofsky: What can be is that all the information stays based on the ministry and one would go with—the way telecommunications are set up and being presented in the government today with what they call switches, you can go from many different databases and get the information. It does not have to be in one central location.

Mr Murphy: I understand that, but what we also want to protect against—again this is a privacy concern—is for one arm of the government that should in no way have rights to information other than for the strict purpose for which it's needed to have access to that other set of information as part of your one-card system. How do you protect against Comsoc talking to Health in inappropriate ways?

Ms Persofsky: Each of the systems would be set up with an eligible and non-eligible for a service and no other information associated to it.

Mr Murphy: Obviously that's what you're—I'm saying how in a technical way do you prevent the access from occurring? Can you prevent it, other than to say it shouldn't happen?

Ms Persofsky: In the same way that you can prevent today anybody getting into any information from any ministry. It would work in the same way. One can check if you're eligible for or have an angler's licence today by going and checking if you have one. It would be the same way. You'd have what they call a switch, which would go to different based-on-approval accesses to get the information, and yes, you do have a licence, or no, you don't have a licence. It's more technical than explained, but there are very easy ways of doing it to ensure—

Mr Murphy: What I'm trying to get at is, you'd want government officials only to have access to certain databases and the only way they could get access to even the ones they were approved to have access to is to have some kind of identification number and that only allows them into certain bases.

Ms Persofsky: Correct.

Mr Murphy: And unless they have access to something else, to another identification number, they couldn't get into any others but the ones they're authorized to have. Is there a way to abuse that system?

Ms Persofsky: No. It would be in the same way today that the Solicitor General is using information to go against the databases of the Ministry of Transportation to say, "Have these people paid their fines or not, and what is their driving record associated with different fines that haven't been paid," and getting information based only on a need-to-know basis, but different ministries to different systems are getting information that is associated for the specific purpose.

Mr Murphy: Have you met with this committee in the government that's considering the one card?

Ms Persofsky: I have talked to the chairman of the committee and have received minutes from the last meeting on it. They are looking at it and reviewing the ability to do that and are cooperating with many of the ministries to see how they can do this and ensure the confidentiality and the privacy act accordingly.

Mr Murphy: Do you know who that person is?

Ms Persofsky: Yes, it's a person named Mr Doug Farrar. He's from the Ministry of Transportation.

The Vice-Chair: We have Mr O'Connor followed by Mr Perruzza.

1140

Mr Larry O'Connor (Durham-York): I guess the question that I have is, because this technology—we're getting this explained to us and I'm not very familiar with it, other than there's this black strip on most of the cards in my wallet. It intrigues me that we could possibly come up with an Ontario card for the five cards that say "Government of Ontario" on them in my wallet, which would make life much easier.

Could you explain a little bit to me the magnetic strip and how it works, and can it be altered, or how could it be altered? I guess a concern I have is that with magnetic strip that could contain a demographic description of the user, what happens in the instance when a newborn comes home from the hospital, and of course it's pretty hard to describe the demographics on that magnetic strip for identification purposes.

Ms Persofsky: Today the only information on the health card, on the magnetic strip, is your date of birth—and some people are questioning how accurate that is—on the mag stripe. But that is all the information that is contained there. I think it's up to what one wants to see on the back of the card in a mag stripe as to what needs to be on the mag stripe.

Right now, the difficulty is that the number of our health card is a random number. Our driver's licence, for example, has our birthdate on it as part of the number and our health card does not. It's a random number that has no meaning to it. If one was starting from zero today, it would probably make a lot more sense that each number has some meaning to the number, but I think there's a major cost associated with it versus "Here are the numbers that are already there."

I think there has to be a decision as to what actual information is required on a mag stripe to the person that has to be on there. It might not be that anything is required other than an identification picture saying that this is the person, here's the number, and if you put it through a card reader, it would be sent to a database

where it would say, "Yes, this is valid," or, "No, this is not valid," and leave all the other information off the card.

Mr O'Connor: But in storing the technology on that strip, where is that information put, and can it be changed? If, for example, you had demographics in there and last year I didn't wear glasses, this year I wear glasses, for identification purposes, how can you change that?

Ms Persofsky: You'd be far better off to have a PIN number or things that aren't easily changed, based on that. That's why PIN numbers are put on to bank cards today, for protection in those areas.

Mr O'Connor: How would that be put on, though, or where?

Ms Persofsky: That I can't tell you. I don't have that answer.

Mr O'Connor: The folks from the bank left who might have been able to help us.

Mr Robert V. Callahan (Brampton South): What's your PIN number? Tell us what your PIN number is.

Mr O'Connor: Mr Perruzza has a question, I believe.

Mr Anthony Perruzza (Downsview): My question is very simple, understanding that health care is rather unique and understanding that there's obviously some sense of nervousness in dealing with that.

In Europe—I believe it's in all of Europe; I know it's a fact in Italy that everyone has what's called an identity card, a carte di identita. It's a card which has a picture, it has a name, it has a residency place, it has a birthplace and so on. That basically has to be used for just about everything that you do. The reason I mention that is that I'm not averse to having an identity card.

But my question to you is this: Given that I have to walk around with a number of plastic cards in my wallet, has private industry—the banks and telephone company and all those other people who are out there issuing plastic cards—given any thought to a universal card on which they could all store all of their information and share the costs of issuing such a card?

Ms Persofsky: The banks would love that. I think there's a major issue, and one of the reasons I'm in favour of a government card versus the banks owning the card is the banks want information and they want control over that information. I think that's very dangerous. So the cost of having a government card makes a lot of sense. In regard to having a bank card where the bank or a bank has information and access to information and is dealing with that, I don't think that is protection of everybody in this province.

Mr Perruzza: No, no, no. But their getting together, for example, and all the banks sharing the information and issuing one bank card as opposed to—see, now I walk around with a convenience card; I walk around with a Visa card and most other—and then you have several credit cards and you have a Bell Calling Card, right, consolidating all of those.

Ms Persofsky: I'll disagree. I think there's more competition than people getting together. AT&T has just developed a new credit card. I believe Bell will probably have their own credit card and it's going more into the banking. I think you're going to find more credit cards and that people make an awful lot of money on credit cards; there are merchant discounts. If the banks had a choice of getting out of every other business, credit cards will be the business they'll stay in. That's their number one moneymaker. They get the merchant discounts, the dollars associated with it, and based on that—

Mr Perruzza: But if you could store all that information on the chip, they could all still have their credit cards and just issue one plastic card that you need to walk around with. Then if you want to charge it to your Bell credit card, you'd just simply indicate that. No?

Ms Persofsky: I don't believe the banks would go for that, no. Then they'd be fighting us. You're going to leave a card and you're going to decide if you want those on Visa or MasterCard. I think it's whichever services. They'll leave them separate.

Mr Perruzza: So you believe there are too many impracticalities in their coming together and doing that?

Ms Persofsky: I can't see it happening.

The Vice-Chair: Mr Callahan and then, if we have time, Dr Frankford.

Mr Callahan: I notice on the material you've given us—and maybe you've told us already—you're not suggesting there be an expiration date on these cards.

Ms Persofsky: There can be, based on putting new pictures that are required associated with them, the same as the driver's licence. There are expiration dates associated with—you get a licence for, I think they've changed it now, for five years versus three years, but there is a period of time that one must go and get a card updated or a new picture associated with a driver's licence or renewing something. In regard to the card, I don't believe that—on a health card, I think there should be every certain period in time that one must have the picture updated or something associated with it.

Mr Callahan: The reason I ask that is, if there isn't an expiration date or something that triggers a sort of reviewing of the person, the alternative I suppose would be to make it by law a requirement that you update your information as you have to do with your driver's licence.

Ms Persofsky: It would be the same way that one has to by law update their information and you would—and the same as a health card, to say that you

are moving and this is your new address, whereas a government card you would use the same standards as a driver's licence. I'm not saying one should be paying money to have a health card, but if they want the different services associated with it, they would be paying their money, other than their health card, for the services in the same way that there is today.

All I'm suggesting is that, instead of having many cards out there, you have one card and the issue is what services are you eligible for based on this card versus every time that you are eligible for another service and you get another card.

Mr Callahan: That would require some type of updating, because presently, although it's being slowly eroded, the drug benefit plans for seniors—in about 60 years when I become a senior—I'm lying—

Mr Murphy: How about months?

Mr Callahan: —I'd have to get another matter put on to the magnetic tape to allow me to use it for the drug benefit plan.

Ms Persofsky: No, what I would suggest is that there would be a swipe that would go through and, once you turn 65, you would be eligible. Based on going and having the card swiped it would be showing that you are now eligible for this service.

Mr Callahan: So this would activate the computer record.

Ms Persofsky: That is correct.

Mr Callahan: We had some concerns about that. Obviously, with 25 million health cards versus eight million Ontarians, there has to be a very tight program put together. You weren't here but we had some evidence at earlier hearings about the fact that—I think it was in the health computer—they didn't have the blank code entry. It was there for anybody who was walking by the computer to see how to access the computer. I suggested that was a very dangerous thing, probably equally as dangerous there as it would be in the Ministry of Transportation where somebody could just crack into the computer or crack into it from their home and change everybody's records.

I know what you're saying, but is it possible to put all of this stuff on to the magnetic tape and to add to the magnetic tape or replace the magnetic tape?

1150

Ms Persofsky: Or a smart card or whatever. I don't think that makes much sense. Once one loses one's card, then what happens to the information and so on and so forth?

Mr Callahan: The other would be backup, you'd still have a computer record of it, but what you'd be able to do is if you had any suspicion that someone had gotten into the computer, you'd be able to check it against the card. I think we need a very sophisticated program in order to avoid any possibility of the massive dollars that have been lost as a result of—

Ms Persofsky: The issue with the health card and what has happened is that when they went from the old system to the new system, they virtually transferred garbage into more garbage. There's an issue associated with the numbers. What I'm basically saying is that on credit cards today there is no issue in regard to security and people going in there and doing things. The security is so tight in regard to an ability to have such tight security on that, that the ability to swipe and get authorization based on having information in different databases and the types of security to that, that is not an issue technically.

Cleaning up the garbage that's in the health care system today is what the issue is, getting that cleaned up, that every single person is authentic to the card that they have, because the issue right now is that you can get cards made up, make 50 copies of the same number. There's no ability to say that same number isn't being used by 50 different people, because all that one can check up right now is, is this a number that is in the system? But what there is no proof of is that you can take these 50 cards and have 50 different people using the same number going to doctors all over the place. If there were a picture, an identification of the person who's using the card, it would stop substantially the amount of people just running around using these duplications of cards, because that's where the issue is.

Mr Callahan: Can I just ask one more question, because Dr Frankford wanted to—

The Vice-Chair: If it's very brief. I think they're about to call us up.

Mr Callahan: We had been told that on the plastic strip right now there are certain data: date of birth, sex and so on.

Ms Persofsky: The only thing that's on there that I'm aware of is the date of birth, and on many of the cards it's not accurate.

Mr Callahan: We had evidence from Mr Decter, I think. But finally, I find that the banks have a very simple system. I had suggested that I had a passbook for Canada Trust, I think it was. Your name is signed in the inside cover; you can't see it unless you hold it under an ultraviolet light. I'm concerned about the picture, because I think the picture is going to cost us a lot of dollars—

Ms Persofsky: Very inexpensive.

Mr Callahan: —and we're going to have to change it as people get older and all the rest of it. But in order to avoid that, could you put a signature on the magnetic tape that would show up under a certain type of light?

Ms Persofsky: What you're asking, based on that, though, is very expensive technology on behalf of the physicians and the hospitals to start reading them and people carrying them around.

Mr Callahan: We were told it would cost peanuts.

Ms Persofsky: Assuming that it is a signature, what happens if you get a card and there are still the 50 numbers out there now with 50 different signatures of different people on it and they're comparing things to it? You're not stopping the people in regard to the eligibility of that person who is going for that particular treatment by being able to compare.

The pictures are very, very inexpensive, based on the technology today, and you're then ensuring that it is the person who's going there for those specific services. On a signature, you're not achieving it, unless someone is then going to start comparing—well, it still wouldn't work.

Mr Frankford: Perhaps I could start by repeating your comment that maybe this is "solutions in search of problems." I think we should remind ourselves that defining the problems is really not at all clear. I think we have not been talking about one of the real problems which exists there, which is non-payment or slow payment of physicians, and I declare my interest in being a physician. I think if the system is not smooth in all directions, then it's failed. We've had a lot of discussions about problems of multiple doctoring and drug abuse and whatever, and I don't deny that those things occur, but I don't think that we really have particularly good facts on them.

In the presentation that we had from the ministry, it did talk about one study it had done, which was actually to do a bit of spot-checking, to go to Kingston, I think it was, and to actually sit in the outpatients and check people's credentials and eligibility. I think they found some slight problems, but it was not overwhelming. I think that perhaps this committee should be making some recommendation to be doing that much more, because I suspect that it would probably be every bit as effective. I've already said what we have right now is very ineffective, because we've virtually chosen to overlook a significant part of the problem, which is slow paying.

Ms Persofsky: I think there's two issues. Today, all they can check is if a card is a card that is in the system or a number that's in the system. It's very difficult and I don't believe it's being done at all, saying that this person is a valid person for this card. So we're back to an issue in regard to cards and the valid person. People keep on talking about how we ensure that this card is a good card. You have to ensure that about the person using the card.

In regard to physicians being paid, there is an issue in that if they don't have the right version number, then doctors have a difficulty in regard to being paid. So that's where the issues are in regard to the doctors, as well as getting the money associated with the services that are provided. Is that where you're coming from?

Mr Frankford: So let me remind people that the regulations of the College of Physicians and Surgeons of Ontario really require a physician to register on that patient record. If I am practising according to their requirements, I have a history sheet and I'm pretty sure that I'm supposed to put down the name, address and date of birth. If one was taking a spot-checking approach, I think there's a whole lot of checking already in place without having to spend huge amounts of time on theoretical, technological discussions, with which I'll finish.

The Vice-Chair: I'd like to thank our witness today for coming before us and giving us yet another alternative or possibility in this area. We very much appreciate your presentation and your time.

The public accounts committee will stand adjourned till June 17 at 10 o'clock. I'll remind members of the steering committee that we are having a meeting immediately following our adjournment today. Thank you.

The committee adjourned at 1157.

CONTENTS

Thursday 3 June 1993

Annual report, Provincial Auditor, 1992: Ministry of Health P-45
Royal Bank of Canada P-45
Norman Achen, senior vice-president, marketing and corporate banking
Martyn Cooper, manager, technology integration
Bryker Data Systems Ltd P-54
Renah Persofsky, vice-president, business development

STANDING COMMITTEE ON PUBLIC ACCOUNTS

***Chair / Président:** Cordiano, Joseph (Lawrence L)
***Vice-Chair / Vice-Présidente:** Poole, Dianne (Eglinton L)
*Callahan, Robert V. (Brampton South/-Sud L)
*Duignan, Noel (Halton North/-Nord ND)
*Farnan, Mike (Cambridge ND)
*Frankford, Robert (Scarborough East/-Est ND)
Hayes, Pat (Essex-Kent ND)
*Marland, Margaret (Mississauga South/-Sud PC)
*Murphy, Tim (St George-St David L)
*O'Connor, Larry (Durham-York ND)
*Perruzza, Anthony (Downsview ND)
Tilson, David (Dufferin-Peel PC)

**In attendance / présents*

Also taking part / Autres participants et participantes:
McCarter, James R., executive director, ministry and agency audits, Office of the Provincial Auditor
Peters, Erik, Provincial Auditor

Clerk / Greffiére: Manikel, Tannis

Staff / Personnel: McLellan, Ray, research officer, Legislative Research Service

CA2ON
XC21
-P72



P-6

ISSN 1180-4327

Legislative Assembly of Ontario

Third Session, 35th Parliament

Assemblée législative de l'Ontario

Troisième session, 35e législature

Official Report of Debates (Hansard)

Thursday 17 June 1993

Journal des débats (Hansard)

Jeudi 17 juin 1993

LIBRARY
University

Standing committee on public accounts

Conference budget
Accounting principles

Comité permanent des comptes publics

Budget du congrès
Principes de comptabilité

Chair: Joseph Cordiano
Clerk: Tannis Manikel

Président : Joseph Cordiano
Greffière : Tannis Manikel

Published by the Legislative Assembly of Ontario
Director, Hansard Reporting Service: Don Cameron

Publié par l'Assemblée législative de l'Ontario
Directeur, Journal des débats : Don Cameron

Hansard on your computer

Hansard and other documents of the Legislative Assembly can be on your personal computer within hours after each sitting. Sent as part of the television signal on the Ontario parliamentary channel, they are received by a special decoder and converted into data that your PC can store. Using any DOS-based word processing program, you can retrieve the documents and search, print or save them. By using specific fonts and point sizes, you can replicate the formally printed version. For a brochure describing the service, call 416-325-3942.

Index inquiries

Reference to a cumulative index of previous issues may be obtained by calling the Hansard Reporting Service indexing staff at 416-325-7410 or 325-7411.

Subscriptions

Subscription information may be obtained from: Sessional Subscription Service, Publications Ontario, Ministry of Government Services, 50 Grosvenor Street, Toronto, Ontario, M7A 1N8. Phone 416-326-5310, 326-5311 or toll-free 1-800-668-9938.

Le Journal des débats sur votre ordinateur

Le Journal des débats et d'autres documents de l'Assemblée législative pourront paraître sur l'écran de votre ordinateur personnel en quelques heures seulement après la séance. Ces documents, télédiffusés par la Chaîne parlementaire de l'Ontario, sont captés par un décodeur particulier et convertis en données que votre ordinateur pourra stocker. En vous servant de n'importe quel logiciel de traitement de texte basé sur le système d'exploitation à disque (DOS), vous pourrez récupérer les documents et y faire une recherche de mots, les imprimer ou les sauvegarder. L'utilisation de fontes et points de caractères convenables vous permettra reproduire la version imprimée officielle. Pour obtenir une brochure décrivant le service, téléphoner au 416-325-3942.

Renseignements sur l'index

Il existe un index cumulatif des numéros précédents. Les renseignements qu'il contient sont à votre disposition par téléphone auprès des employés de l'index du Journal des débats au 416-325-7410 ou 325-7411.

Abonnements

Pour les abonnements, veuillez prendre contact avec le Service d'abonnement parlementaire, Publications Ontario, ministère des Services gouvernementaux, 50 rue Grosvenor, Toronto (Ontario) M7A 1N8. Par téléphone : 416-326-5310, 326-5311 ou, sans frais : 1-800-668-9938.

Hansard Reporting Service, 481 Legislative Building, Toronto, Ontario, M7A 1A2. Phone 416-325-7400. Fax 416-325-7430

STANDING COMMITTEE ON PUBLIC ACCOUNTS

Thursday 17 June 1993

The committee met at 1014 in room 151.

CONFERENCE BUDGET

The Chair (Mr Joseph Cordiano): Would members of the public accounts committee come to order. Good morning, everyone. I see that there's a member from each of the caucuses at the very least, so we shall start our meeting.

The first item on the agenda, if everyone has a copy, is discussion of the conference budget.

Mrs Margaret Marland (Mississauga South): Are we in camera or being televised?

The Chair: We're televised. We're live. I'm sure you'll be on your best behaviour as a result, either way.

Mrs Marland: Always.

Ms Dianne Poole (Eglinton): Mr Chairman, are you inferring that Mrs Marland is sometimes not on her best behaviour?

The Chair: No, not at all. I just thought we should make that clear.

Mr Robert V. Callahan (Brampton South): Anybody from Peel is a good person, so I can vouch for Margaret.

The Chair: To get on with the budget item before us, perhaps you could take us through that, Tannis, and just give us some of the changes. There are a couple of changes or contingencies.

Clerk of the Committee (Ms Tannis Manikel): There are a couple of changes, in that when we initially did the budget, we were anticipating that the House would not be sitting. Now it's looking very confused; personally, I don't know what's going to happen. If the House should be sitting, we'll have to go outside for interpreters, so that means we'll need close to $9,000 for outside interpreters. This is something we hadn't planned on.

The other thing, on the Monday night reception, is that Mr Mancini, as the former Chair of the committee, and Mr Peters had sent a letter to the Premier's office asking him, as Minister of Intergovernmental Affairs, to host that banquet. I haven't heard anything definite yet. I have had talks with the protocol office and there is an indication that it might be prepared—I have nothing in writing, I have nothing confirmed—to pay for half that but wouldn't pay for the full thing. We felt we should bring this before the committee and get a decision here on how the committee was going to proceed.

Our cost will be a little higher than we had anticipated. When we went to the board in February, we said it would be $30,000. I'm waiting for a figure from broadcast and recording on how much the rental of the equipment will be, because we will have to rent some microphones. I've set it up that there would be only one microphone for every two people so we wouldn't need to rent as many. We will also have to rent one interpretation booth. I had put $1,500 in the budget. I think it will be more that.

Right now, including my cost estimate for the Monday night banquet, it comes to a total of $34,800, so we're over by almost $5,000. This would be reduced if the government did pay for part of the Monday night reception.

Mrs Marland: That's the figure without adding the $9,000 if the House is sitting and we need to have outside interpreters?

Clerk of the Committee: That is including the $9,000 for interpreters. Also, I expect there will probably be about another $2,000 for rental of equipment. I haven't got that figure; maybe I'm a little high there. I budgeted $1,500, which is in this figure. At one point Bill Somerville told me it would be $5,000 to $6,000, and then we worked on something and found out we could use some of the equipment from here. So that figure will go down, and he hasn't got me the new figure yet.

Mrs Marland: How many delegates will require interpretation? The question is, can we manage without it?

Clerk of the Committee: We do have a delegation coming from Quebec—there are two members and the clerk—and some of the members from Ottawa are francophone; actually, two or three of them.

The Chair: I'd just say on that point that because it is a nationwide conference, including all provinces, in my opinion, we would definitely have to have translation services.

1020

Mrs Marland: For three people we're going to spend $9,000?

The Chair: No, not three people. There are others who are officials from those provinces. I don't have the numbers, but regardless of that, there are a number of other people who are attending who perhaps would speak both languages. You may have a different belief, but I think we still are, nationally anyway, a bilingual country, and we have to look at that as a national conference. In that regard, we would not break with tradition by not having translation services.

Ms Poole: Just on that point, before I go to the one

I had originally intended to make, I think the other factor that hasn't been taken into account is the fact that we may want to use some of the French transcripts afterwards for distribution to the various provinces where they would require French translation. The market will actually be far broader than just a handful of people. But I certainly support your comment, Mr Chair, that as a national conference, I don't see how we can make an issue by saying we're going to refuse to have any French translation.

The issue I wanted to raise related to the fact that we are in times of economic restraint. At the same time, this is a national conference and it's Ontario's turn to host it. We certainly can't negate our obligations as the host province for this year, and I do believe we have to have a banquet or some similar arrangement. But I wondered if perhaps the clerk could update us on a conversation we had in our steering committee where we asked if we could keep the costs down and take certain measures such as, for instance, instead of having paid entertainment, using some of the community groups, such as not having an open bar, things such as that, to keep the cost as reasonable as possible, given the fact that we have a responsibility to host people from across this province at the auditors and public accounts committees conference. Perhaps the clerk could update us on some of those activities.

The Chair: Before I ask Tannis to do that, I just wanted to raise one point in regard to the banquet dinner. We had this conversation the other day and I'm not sure if we fully put that forward to the committee. Traditionally, my understanding of it is that the government has covered the cost of that banquet because it is a state dinner, an official dinner that the government would host. Perhaps Tannis could shed some more light on that with regard to what the response has been back from protocol office, which would handle that normally.

Clerk of the Committee: Yes, this has been traditionally done by the province, and in other provinces as well this is the way it's been handled, although obviously I can't speak to any financing there and where the money came from. But when the conference was here 10 years ago, it was very definitely hosted by the government, by the province.

My indication from the protocol office is that it no longer has any type of budget that would include this type of conference and that it has no area to get the funding from. The best they can suggest is that they would be willing to go as far as paying for half of the banquet but not the entire banquet.

The Chair: That raises a significant question. First of all, there's a whole question of precedent being set there. Additionally, if that is the case, then we would have to pick up that cost as a committee and inevitably ask the Board of Internal Economy for approval for that additional cost. I just raise it because I think it's something we should discuss.

Mr Callahan: We may be setting a precedent, but I think we're also living in a precedent three or four years. There are people out there who are having difficulties themselves in a whole host of things. In fact, in my community, this is a minor incident in comparison to people who are probably not able to pay their rent.

The Chair: That's not really the issue, if I may, with all due respect.

Mr Callahan: I think, Mr Chair, it is.

The Chair: The issue is, who is going to pay for this banquet? We've already decided to have it. It's not a question of whether we have it or not.

Mr Callahan: Perhaps I wasn't here when you discussed having it, but I think that in a time of restraint we shouldn't have one.

The Chair: That's not the issue we're discussing today. I think it's important to note that we've gone through a whole series of meetings and discussions with respect to how this conference was put together. I believe everyone had copies of various items that we brought forward in other meetings. I don't really want to entertain that debate once again, because that will take us away from what's on the agenda.

Mr Callahan: At the time we discussed this, did we anticipate that this was going to be paid for by the government? Can I have an answer to that?

The Chair: Are you asking me or Tannis? There was an expectation that the government would because it had been done before and other provinces have done the same thing.

Mr Callahan: My second question is, is this within our budget now? Have we got approval of the Board of Internal Economy?

Clerk of the Committee: A budget was approved by the committee and has been forwarded to the Board of Internal Economy. As you may be aware, none of the committee budgets have been considered by the Board of Internal Economy.

Mr Callahan: So we do have within that budget the funds to put on this banquet?

Clerk of the Committee: When that budget was prepared, that cost was not included in the budget.

Mr Callahan: That's right, so we didn't anticipate having to cover that. So we have to go back to the Board of Internal Economy for a supplementary budget, and that's why, Mr Chair, even though that decision has been made—

Clerk of the Committee: They haven't passed our first one yet.

Mr Callahan: They haven't passed our first budget and I have grave concerns that they'll even look at a supplementary budget in this regard. I may be anticipat-

ing their decision, but if that's the case, we're getting pretty close to the wire and if the clerk hasn't already advised these people of our preliminary agenda, I think it would be more embarrassing to us as a public accounts committee to say, "Yes, there will be a state dinner," and then find that we can't pay.

The Chair: I would just say this to that line of thinking that we could question the whole conference in that regard. I think really the point was, we had a preliminary agenda several months ago that was put out for everyone.

Mr Callahan: I know.

The Chair: The Board of Internal Economy has not deliberated on any committee budgets, so we're premature in thinking what the reaction would be about any of this. It may be as a result of other considerations of the board; I don't really know. I just know that the Board of Internal Economy is bogged down at the present time between House leaders. So at some point they will have to consider these. Whether it's retroactively or not, that's a matter that the board will have to decide. But certainly they will have to make those considerations and decisions as they're approached.

Mr Callahan: Can I ask the clerk what is the outside limit we can go before we have to either advise them or, if we've already advised them in a preliminary fashion, to say it's not going to happen? Not the conference, but the additional items.

Clerk of the Committee: I think I may have missed something, but I'll state this. In February, before we started this, Mr Mancini and I went to the board asking for approval in principal before we started anything. The board was aware that we were doing this conference and that we would be presenting a budget. They approved up to a maximum of $30,000 for the conference. So anything beyond that, we would have to go back to the board for.

Mr Callahan: Okay, but what I'm getting at is, you said that the amount for this dinner was not expected to be within that budget, so we need a supplementary budget. All I want to know is, if we're notifying people from other provinces about the agenda for that conference, including this banquet, when is the last date that we can tell them that it's not being held if we don't get the money? I don't want to sound negative, but—

The Chair: I think that's really extreme.

Mr Callahan: It may be.

The Chair: Do we really have to go that step? If we're going to start to do these kinds of things, then there may have to be a debate around here about a variety of things. So I think if you start piecemealing and you pass judgement decisions about what is important and what isn't, I think all members have to engage in that debate in each of the committees where all of these matters are being entertained at any time.

1030

I think what we have to say to ourselves is, "This has been done in the past and if it's inappropriate, then let's have a wide-ranging debate." We've done that over the last several months from time to time with regard to what was acceptable in the agenda and what wasn't. I don't want to keep revisiting that question because we get into endless debate about what is appropriate and what isn't. I think we've already decided that we were going to have the agenda as contained now, and part of that was to include a banquet. So I really don't want to go on and on about—

Mr Callahan: Well, I'm not, Mr Chair. I'm just trying to find out when the last—

The Chair: One final point from Mr Callahan and then I'll move to Ms Poole, who was on the list, and then—

Mrs Marland: Can I just raise a point of order? I hate to do it in this way but, Joe, you know, on a personal basis, It's hard for me to say this to you, but I think that as Chairmen we have to try to stay out of the debate. For somebody like me it's very, very difficult because I want to get into all the discussions on everything, and I'm learning, as Chairman, that I can't do that. What I'm hearing right now is that you're drawn into this debate with Bob. I think as committee members, people have to be able to say what they want to say on any subject and, with respect, I think you have to—

The Chair: I can appreciate what you're saying, but the point I'm trying to make—and you have to be very careful about what it is that I have suggested. I've suggested that there have been numerous occasions, in the interests of being expedient—and we do have a limited time to deal with this matter because we have a whole host of other matters to deal with. I'm dealing with the process question.

Whether a person feels that way about a particular subject is of no interest to me in my capacity as Chair, but we have debated this matter on several occasions. In the interests of expediting this process, which can lead to endless debate, in my opinion we've had ample amounts of time to deal with the substance of issues of whether or not there—

Mrs Marland: In fairness to Bob, a lot of the discussion has been done in the subcommittee. That's all I wanted to say.

The Chair: I think there were several occasions when the full committee discussed this, and in the short periods of time that we do have, we try to expedite matters because time is limited around here. That's all I'm saying. I don't want to continue to rehash old territory about what's in the agenda or not, so this is really one of those substantive questions.

All we're trying to deal with today is, can the com-

mittee accept the fact that we're going to have to pick up some of the bill for this banquet? Really, it's a question of do we do that or do we go back to the Board of Internal Economy and ask for additional funds, or ask that the Speaker decide whether or not this is a banquet that should be held? Because there's protocol involved; let's not forget that. I'm just trying to point that out. I don't think we should go back and say, "Well, should we have this banquet, because we're not prepared to"—

Mr Callahan: I'm not suggesting that at all. All I'm trying to find out is, to save us—well, look, Mr Chair. I'm entitled to speak.

The Chair: I'm not trying to stop your right to.

Mr Callahan: If I'm offending you, I'm sorry, but the fact is that it will be an embarrassment to us if we can't. That's all I'm saying. I want to know from the clerk what is the end line where we'd have to tell these people. That's all I'm saying. I'm not debating the merits of whether it's a good idea or a bad idea, but I do have some concerns that if we can't do it and we don't notify these people, we're going to look rather foolish. That's the only point. I have nothing further to say on it.

The Chair: Mr Callahan, you're entitled to your view, and I've given you now at least 10 minutes to give your view. I don't think I've been unfair in dealing with the amount of time that I've granted you. Of course you're entitled to your view. I'm going to move on to Ms Poole, because she has a point to make as well.

Ms Poole: I think Mr Callahan has raised a valid concern in that we don't want to cause embarrassment for the province. But if you go to the bottom line, the taxpayer doesn't care whether the government pays for it or the committee pays for it. To them, we're all the same. The important thing is that Ontario has sent out an agenda which includes a banquet which traditionally has been done by every province that has ever held this conference. We've already notified the member provinces of this. We have very little time left. We're only three weeks away from the conference. I think it would be quite embarrassing at this stage to go to the various members and say: "Well, I'm sorry. We know what tradition has been, but now at the last minute we're telling you that you have to pay for it yourself."

Mr Chair, I think both the points you have made and that Mr Callahan has made are quite valid. We do not want to get into a situation where the Board of Internal Economy refuses to pass our budget, which is several thousand more than they originally targeted for us. So what I would propose is that a representative from each party talk to our House leader, explain the dilemma and see if our three House leaders will agree that when it goes to the Board of Internal Economy, they will support a motion of the committee that our budget be expanded.

As I mentioned earlier, when we had our steering committee meeting, there was concern raised by all three parties about cost, and we've already made a number of suggestions that would reduce the banquet by a substantial amount as far as the final cost. So I think we can trust our clerk to really keep it at a minimal cost level, as little as we can and still maintain the protocol and our obligations as host.

Could I make a motion, then, that one representative from each party approach our respective House leaders and see if we can secure that agreement? That would at least give an opportunity for next Thursday to ratify any decision and put in a supplementary budget, and by then we may know too the final costs on the microphones and what is being supplied by the Legislative Assembly, which may reduce the cost. Could I make that motion?

The Chair: If you'd like to make the motion.

Ms Poole: Yes, I would like to make that motion. Please don't make me repeat it. You got it?

The Chair: Mr Hope, you had a—

Mr Randy R. Hope (Chatham-Kent): Well, unless Margaret had something.

Mrs Marland: I don't mind at all, Mr Chair. I just want to speak to the motion. I had something that I wanted to say.

Mr Hope: So did I, so I'm just going to blend it in with the motion.

Mrs Marland: Can I just get some facts straight? The Board of Internal Economy provisionally approved a budget of $30,000 back in February. When did the letter from the Chair go to the Premier's office asking if they were going to host this?

Clerk of the Committee: I'm sorry. I didn't bring the letter, but it went out in February as well.

Mrs Marland: In February some time.

Clerk of the Committee: Yes.

Mrs Marland: March, April, May—three and a half months ago, and we haven't had any response at all?

Clerk of the Committee: In the last month I've had some inquiries from the office of protocol, and at this point in time I've never received anything in writing.

Mrs Marland: Just so I'm not confused, the office of protocol comes under the Premier's office?

Clerk of the Committee: Yes.

Mrs Marland: All right. So we wrote to the Premier's office three and a half months ago, and this committee does not have a reply. Now, one thing I do agree with Ms Poole on is that the taxpayers don't care whether this money comes out of the Board of Internal Economy or the Premier's office; the taxpayers pay for this. I agree with her. But I can assure you that I am not going to be voting to spend money as a committee

member if the Premier isn't willing to approve that money, and I don't agree with asking the House leaders to go to the board because of the tradition with who hosts these kinds of national conferences.

I agree that when it's our turn to host a national conference, it's an obligation on this province, but I can assure you that it's an obligation on the Premier and the government of this province as much as me as an individual representative in this Legislature. I am not the government and I am not going to vote in favour of additional expenditures when the Premier won't make that kind of commitment, because I'm not going to be in a position as a committee member where I have voted in favour of spending this money and the Premier's office wouldn't back me up. I don't want that responsibility, and I really feel that if we're already looking at $34,000 without knowing—is it $34,000 if we pay for the whole banquet, Tannis?

Clerk of the Committee: Yes.

Mrs Marland: Okay. Then we may have another $9,000 because of translation if the House is sitting.

Ms Poole: No. That's all included.

The Chair: No, that's part of the $34,000. An additional $2,000 would be required, if I recall correctly, Tannis, on top of that? Yes.

Mrs Marland: All right, so $36,000 would include the total cost of the banquet and the translators.

The Chair: Yes.

1040

Mrs Marland: Well, that doesn't add up. If we asked for $30,000 without the translators and we were told the translators could cost $9,000, it doesn't add up.

The Chair: Can you go over that again, Tannis, so that we can be clear as to what the facts are?

Clerk of the Committee: When I was initially preparing figures, I was going by a lot of guessing. We at that point didn't have a hotel; we didn't know the cost. So my estimate on what it's going to cost us for the meals and such has come down. Also, I had put $15,000 in the initial budget for the cost of interpretation, thinking that we may have to get one or possibly two interpreters in addition to our own staff. So there was some money in the initial budget.

Mr Hope: Before you go on, do you have a copy of this budget?

Clerk of the Committee: I'm sorry. I didn't bring copies of the budget to be passed by the committee.

Mr Hope: Somebody's telling me $30,000 and what's in the $30,000 has been approved. There are a lot of questions I have, and I'm just waiting to hear—Margaret's brought up some of the stuff and I'm listening, but it would be nice, because I've been hunting for paperwork; I'm not a regular part of this committee, and before I make a determination I'd like to have some paperwork in front of me.

Mrs Marland: Why don't we deal with this at the end of our meeting and go on with the options?

The Chair: We did go through the whole thing—

Mr Hope: I respect that, Joe. All I'm asked now is to make a decision, because now I've heard we're $6,000 short in overall costs, and I would like to—

The Chair: If there's agreement—

Mr Hope: Well, let the clerk continue.

The Chair: —we will have a copy of the budget handed out to everyone. We'll wait till the clerk can make that available.

Clerk of the Committee: Go on with the other and do this at the end. Save that for last.

The Chair: Okay, you want to deal with this matter later and you can have copies made available for everyone?

Mr Hope: I just want to continue listening. I was just saying I have nothing in front of me.

The Chair: I can appreciate that.

Mrs Marland: I would just move that we table this for the next portion of this meeting and deal with the other item on our agenda. In fairness to committee members who are going to be asked to vote on this, I think everybody needs that information in front of them. I have the figures in my head and I also have seen the budget when we talked about it before.

The Chair: Would it be acceptable, then, if the subcommittee were to deal with this? That's just simply a suggestion the clerk is making, but I don't know how you would like me to proceed with this. I can do it any way you like. We could deal with this matter this morning and continue on with the full committee debating this or discussing it, or we can have the subcommittee review it once again with those particular items for consideration on the subcommittee, whatever way the committee wants me to move forward.

Mr Hope: I say we move it to the subcommittee.

The Chair: The subcommittee is meeting after this meeting.

Mrs Marland: Are you going to allow a subcommittee to approve a budget?

Mr Hope: No. He's asking them to examine what's going on here.

The Chair: Yes, we can come back to the next public accounts meeting and then submit the final for approval of the committee.

Mrs Marland: You know, maybe what would really help is if I could respectfully ask the government members to get a response to the request that went to the Premier's office three and a half months ago, because that's pivotal to what our decision has to be today. Whether or not they're going to pay for the

banquet is very important.

Mr Hope: Whoever pays for the banquet, it still comes out of general funds. You just made the comment earlier that no matter who's paying for it, it's still paid for by the taxpayers.

The Chair: Order, please. I'm going to go to Mrs Poole and then Mr Hope. I'll take people in order. Mrs Poole—Ms Poole; pardon me.

Ms Poole: I'm certainly agreeable to sending it to the steering committee because we do have a representative, one from each caucus, to discuss it, but one thing I want to get a sense of is, if the Premier's office refuses to pay for this, our options are to either cancel the banquet or to try to find some alternative way of dealing with it. I just would like a sense from the committee members here, and a very quick sense: Are you proposing that we cancel the banquet? What's the bottom line here? What are we working with?

The Chair: Well, let's have discussion.

Mr Daniel Waters (Muskoka-Georgian Bay): From my point of view—and I am just somebody who's been subbed in on the committee today—

The Chair: I apologize. I should have recognized you, Mr Waters. Sorry.

Mr Waters: What I would like to do is have a bit of time to examine this. Mr Farnan will no longer be on the committee, so we will have some new membership, and there are some of us here today who are just here subbing in and we would like to have some time to examine this.

Personally, I'm supportive of the banquet from what I've heard, but I think I need some time to talk, as Ms Marland has said, to the Premier's office to find out why, in three and a half months, the Premier's office hasn't replied in a positive or a negative fashion. I think that the committee deserves a reply, and I will go to the Premier's office and find that out.

If it isn't going to affect the outcome, then if we can leave it for the week and come back and deal with it number one next week, I think that would be the best way of handling it.

Ms Poole: I'm agreeable to that, Mr Chair, rather than trying to handle this now.

The Chair: That's fine. I'm open to any suggestion that the committee would like entertained, so if that's the committee's wish, then we'll leave it. Is there agreement on that? Can I just ask all members, is there a consensus on that?

Mrs Marland: When we have people here today who have never discussed this before and they're subbed in today, in fairness I think that's the only solution.

The Chair: That's fine. In terms of the clerk, I think we need some resolution of this matter by possibly—next week is the last, at least foreseeable, date that we have scheduled for us to meet. So if we could somewhat expedite this by next week and deal with it as an item to be discussed next week, then I would say that would be speaking to the interests of the process question and speaking in the interests of having some resolutions, because we do have some time lines we do have to meet. So I would just ask for your indulgence on that.

ACCOUNTING PRINCIPLES

The Chair: The second item on the agenda, is the accountability issue that was raised by the Provincial Auditor. For members who are new on the committee, I'm not sure what members have available to them in terms of information. Do you have some documentation?

Mr Hope: Is this the report you're dealing with?

Ms Poole: There was a package sent.

Mr Hope: There's a package, yes. Okay.

Ms Poole: There's a substantial package which I don't know if you have.

Mr Hope: I've had a chance to read my colleague's, but I don't have one myself. I was looking for the budget we were just discussing.

The Chair: I have a copy of the June 17 letter that was sent to the Chair of the committee from the Treasurer.

Mr Callahan: That's the '92 one.

The Chair: Yes, well, that's just leading up to it. Now you showed me a document, Ray. There's a whole package here with—

Mr Erik Peters: Mr Chairman, may I help out? I want to make some opening comments, and maybe in those opening comments I can refer you to the documents which I consider relevant.

The Chair: Okay. Why don't you take us through that. The auditor will take us through the important documents and raise the important issues that you need to know dealing with this matter.

Mr Peters: Thank you very much. I'm sort of excited that after the lengthy discussion about the dinner, you can now feast on accountability.

There is quite a bunch of paper. Unfortunately, none of the pages are numbered, so I have to give you a little bit of time to find your spot. But the letter that I would like to refer you to is somewhere towards the end of the material. It's a letter that I wrote on February 4, 1993, to Remo Mancini, the then Chair of this committee. It's entitled The Audit Act. It's towards the end.

1050

Ms Poole: February 4, 1993? Is that it?

Mr Peters: That's the letter. Specifically, I'd like to refer to appendix A, which is about—

Ms Poole: Mr Chair, if I might suggest, although these will be technically filed with Hansard, just so that it's clearly on the record, perhaps the auditor could give us a précis of this document, because he's very clearly outlined in it what the problems are and how he proposes to deal with them.

Mr Peters: That's what I'm actually preparing to do. I just wanted you to find it in this wad of paper.

Ms Poole: Oh. I thought we were supposed to silently read it. Okay.

Mr Peters: Well, I saw you start it and I respect that you're having to take some time on it, but if I may then start with my presentation, because it highlights some of the things.

I'd like you to focus on this letter. My overall intent is based on the premise that the Legislative Assembly will be better served if the Audit Act is amended after the legislated accountability framework is put in place. The principal targets of that accountability framework are essentially the recipients of transfer payments. At the moment, some 58%—that's better than half—of the province's expenditures are already practically outside the control of the Legislative Assembly, simply because there's no effective legislated accountability framework for transfer payments.

The number that you normally hear is that 70% are transfer payments, and I'm saying 58%. I just want to explain that very briefly. Some 12% of these transfer payments are actually payments to individuals. They are payments either made under the Family Benefits Act or they are payments to physicians directly. So they are payments to individuals, and I've excluded those because I'm not sure whether the Legislative Assembly really wants to get into the details of regulating individuals who receive transfer payments.

But the 58% that I'm referring to are payments to institutions that are constituted in one form or another: have boards of directors, have management, have all the good things in place that should be able to provide accountability. So we're not talking about adding administrative overhead or anything like that; we are talking about organizations that have administration at the moment. I'm talking about expenditures in the $30-billion range, which is subject to only some or very little control by ministries.

There are three reasons for which we are advocating the legislated accountability framework. One, and I believe of foremost interest to this committee, would be that the Legislative Assembly and the ministers need better legislated or regulatory tools to establish more effective accountability for the economy, efficiency and effectiveness of programs.

One case in point has actually occurred already before the committee. It was the one that kicked me off in this direction. When this committee met in January with the representatives of the Workers' Compensation Board, a question was raised as to whether the Workers' Compensation Board was aware of the Management Board directive under which they had to obtain cabinet approval for the establishment of a subsidiary.

That is a directive that applied definitely to the Workers' Compensation Board, the way it was worded. It was read into the record at that particular time. The answer from the Workers' Compensation Board representative was that they were not aware. Subsequent to that, we had some discussion as to what the recourse now is: What can the Legislative Assembly do about this? What can the minister do about this? What can I do about it? In fact, what can the Management Board do about it? They just didn't know.

The point here was that the answer is "nothing," because it is just a directive issued under the Management Board of Cabinet Act and there are no administrative sanctions specified of how to deal now with a management that ignored a Management Board directive.

That was a case in point. So the first reason is really that that's why I'm going after the word "legislated," because once it's legislated, then it becomes a tool of the Legislative Assembly, of the minister and of the various functions that can take action on it.

Notwithstanding that, I should make two comments. Firstly, I'm definitely not proposing any punitive sanctions of any kind. What I'm really proposing are administrative sanctions of some sort. In other words, some fear was expressed to me when we discussed this point as to whether it meant that the deputy minister who doesn't do this can go to jail or something like that. There's nothing of that nature. It is strictly a matter of administrative procedure and of administrative punishment that could take place.

The ultimate is, for example, that in the private sector there are normally two sanctions. If you breach regulation, it is sanctions against the individuals who breach. The other one, if it is an organizational problem, then ultimately in the private sector you have receivership or trusteeship or some such role, way at the end of the tunnel. But those are both administrative matters that can be taken into consideration.

The reason, too, is that periodic audits are not the tools required for ministry management to ensure that value for money is achieved. Audits can only provide periodic, reasonable assurance. Ministry management and recipients of transfer payments need a framework to hold them accountable for the economy, efficiency and operational effectiveness of their actions. Once that framework is in place, periodic audits would then become much more efficient and effective.

The third reason is really that the central agencies need more effective tools to hold ministries accountable

for government-wide responsibilities, very simple ones; for example, to keep proper books of account and to have systems, practices and procedures in place to ensure that value for money is obtained.

In the document that I referred to, February 4, we have very deliberately added an appendix A to that document in which we outlined, just for reference, not necessarily as a model, but just to take a look-see as to how the federal government has developed an accountability framework. Essentially, this is taken from part XII of the Financial Administration Act, which deals with crown corporations.

Mr Callahan: Is that the same as the Audit Act? Is that the federal counterpart?

Mr Peters: No. For the federal they have an Auditor General Act, which would be similar to the Audit Act. This is actually built into the central agency. This is administered by the federal Treasury Board and it deals with the accountability that they expect of recipients of public funds when they are incorporated as a crown corporation.

Mr Callahan: So you're proposing a single act such as this to cover all these agencies? You're not talking about each individual act that's set up for one of these agencies to be amended to include this; you're talking about one single act such as this.

Mr Peters: Not necessarily; I'm bringing it up. That would be a decision of the committee, I would think. I don't want to prejudice you, because, yes, the thought had crossed our minds that omnibus legislation may be not the better way, but may be one way to go.

There was also other legislation before where consideration may be given to build it into specific legislation. One example may very well be Bill 17, which is right now setting up, for example, four crown corporations, and to take a look at the accountability provisions in that act as to: Now that these corporations are being carved out of the consolidated revenue fund, how would the Legislative Assembly like to ensure accountability of these crown corporations? There's quite an extensive accountability framework for anybody who is subject to funding out of the consolidated revenue fund, but what is put into parallel in setting up the corporations under Bill 17?

1100

I'm still concerned that even for the consolidated revenue funds for organizations, schedule 1, 2 and 3 agencies, the accountability framework right now may not have enough teeth in it because it's simply not legislated. It is merely bureaucrats directing other bureaucrats. It's not the Legislative Assembly making regulations, essentially.

Just very quickly, I wanted to go through some of the key features of this appendix A, merely as the features. The first one deals with management responsibilities. It outlines for them that the planning, and there's no difference there other than—this is of course legislated, but in the Management Board of Cabinet Act there are similar provisions, but they are issued by way of directives.

The second part is after the planning. "Management Responsibilities" has several interesting features that I'd like to bring to your attention. One is that they are charged with maintaining "books and records, financial and management control and information systems and management practices," and then it goes into the qualities of those in a broad way. But I should point out to you that I mention that because, once in place, it certainly eases the audit responsibility. Not only does it give tools to the Legislative Assembly and management, but it also makes auditing easier because standards must have been established by management as to the way it wants to implement this particular section of the act so you don't have to free-form criteria or standards.

The specific provisions are that those systems, procedures and everything should safeguard the assets of the entity. They should give assurances that the transactions "comply with legislation, regulations, bylaws and directives."

The third very important one is that "financial, human and physical resources are managed economically and efficiently and operations are carried out effectively."

As far as the audit is concerned, it also makes the provision for internal audit, particularly where the size of the entity warrants that internal audit be put in.

Mr Callahan: Could I just ask you a question about the interpretation of that? I know it's an appendix, but if we're going to be looking at it as a possible example, when you talk about, "To determine if required systems and practices provide reasonable assurance that assets are protected and resources are managed," would that cover a situation where a crown corporation, let's say, purchased a large number of assets and because they didn't fit in with the decor of the building, it sort of just stored them away in a warehouse? Would that be the type of thing that you could look at?

Mr Peters: Yes. That would be because it deals with managing resources with due regard for economy and efficiency.

Mr Callahan: Very good. I've got a motion, Madam Chair, which I'm going to introduce, a notice of motion anyway. Perhaps I can do it in the context of this discussion. I think it has some particularity—

The Vice-Chair (Ms Dianne Poole): What I was going to suggest, Mr Callahan, is that perhaps the auditor can complete his presentation—

Mr Callahan: Sure. Oh, yes.

The Vice-Chair: —and at the end of his presentation, if you would just jot down questions in the meantime without going back and forth. We want to make

sure you get everything necessary before the committee before we go to questions.

Mr Peters: Thank you very much, Madam Chair. Actually, the appointment, then, not stated in here is that the auditor is the federal Auditor General, in this particular case. It would be the Provincial Auditor. Then the framework spells out the content of the auditor's report and it makes provision for what is called a "special examination." There's currently, in Bill 17, for example, a provision for reviews and there could be a parallel created here.

It also, though, very clearly spells out the limits of the value-for-money review, and that might be of interest to you. The examiner, reviewer or auditor—and it's close to the bottom of the page—is "prevented from expressing any opinion on the merits of the objects" of the organization, because that's the legislation, "on the corporate objectives, on any business or policy decision of the governing body of the entity or the government," because the act would force the auditor into a position of second-guessing the board or directors or, in fact, the Legislative Assembly and that is not within the purview of the auditor. He has to stay away from it.

The last part of the framework is that it would spell out the duties and responsibilities of the audit committee of a board. In fact, it makes an audit committee mandatory. On the next page of the appendix A you'll see that it refers to the annual report by the board and outlines the content of this report. This would be the financial statements audited, the auditor's report on it, whether corporate objectives were met, quantitative information, performance information relative to the objectives and anything else required by legislation or by the minister responsible for the particular activity.

Taking this into consideration—and I'm very close to the end of my presentation, because what I want to point out to you is potentially a four-pronged action plan to establish this accountability framework—the first one, and this is why I brought it on the agenda here, is to obtain approval in principle from you, from the public accounts committee, to establish a workable legislative accountability framework before amendments are made to the Audit Act. Basically, because this committee deals with the Audit Act as its principal piece of legislation, I would just like to obtain, if I can, your approval in principle to work on the accountability framework first, and then amend the Audit Act.

The second prong of our action plan is to work with the central agencies to develop an effective and practical accountability framework, especially for transfer payments. In this regard, in the latest material you have received there, there's already a very good and sound step taken by the secretariat of the Management Board in spelling out new mandatory requirements for an accountability framework. They can form a very good basis from which to go forward and develop such an accountability framework.

Mr Callahan: Appendix B?

Mr Peters: No, it's not my appendix B. That is later on in your material, if I can guide you to that right now. It is a document that looks somewhat like this revised document. I so much wish we had numbered pages; I'd just say, "This is on page 28."

The Vice-Chair: For members' information, it's called Administration of Agencies and it has "Draft Revision" crossed out at the top and says, "Approved by cabinet, May 1992."

Mr Peters: Yes, that's it.

The Vice-Chair: There are two documents which look very similar but this one's called Administration of Agencies, 6-3.

Mr Peters: It goes through a whole raft. It establishes a memorandum of understanding. It deals with corporate plans. It deals with auditing arrangement, external audit and rotation of the private sector auditors, if that's required. It deals with internal audits, staffing, salary levels, sunset reviews and a whole raft of issues too lengthy for me to go through. I want to point out in my overview that that work has been done and it's good work. When I refer to the fact of working with central agencies, that's essentially what I have in mind: to work together on establishing those.

1110

In fact, I would also like you to refer to two items that are not in there, but I'll gladly provide those after. Management Board of Cabinet does have the power of making regulations—it has just not availed itself of that at this particular point in time—in section 6. Specifically, they can make regulations for any purpose necessary for the efficient administration of the public service. It's right in the act, so it may not be a requirement of making new legislation. It may be also, and we can explore that further, a method of just—

Mr Waters: Do it through regs.

Mr Peters: Yes, using existing regulations. This is further echoed in the Treasury Board Act, where, for example, the Treasury Board can also make regulations "respecting the accounting for, and the collection, the management and administration of, public money." That's subsection 10(a) of the Treasury Board Act.

So the tools seem to be there; the mechanisms seem to be in place. It may be a matter of just proceeding as to how they can best be used for this particular purpose. That is the second prong of the action plan.

The third prong would be to work with the ministries individually to develop practical performance indicators and criteria for performance evaluation. How does a ministry know it's doing well, is really the fundamental question.

In the beginning, and this struck me in January, we

had a number of meetings here where we had ministries before the committee and ultimately the ministries said: "Look, the auditor used criteria that he invented. They were not ours." I consider that an unhealthy situation. The criteria have to be developed by the ministry. We can judge whether they are adequate, that's fair, but the responsibility to develop the criteria should be theirs.

The fourth prong is to work together with the internal audit function in the ministries to develop audit services which are results- and value-for-money-oriented which ensure that controls are built into financial and operational systems, practices and procedures on a timely and practical basis and which ensure that the ministries and the taxpayers, ultimately, get the biggest bang for the audit buck. Overall, audit services need to be more effectively designed to assist in ensuring that revenue and expenditures are properly managed and controlled.

As you can see from the four-pronged action plan, if I can persuade you to approve this approach in principle, it really means a cooperative approach between the legislators, the management of the ministries and the audit function to work together to establish a sound accountability framework. That ends my comments on the accountability framework.

Mr Tim Murphy (St George-St David): I like the four-pronged action plan you've outlined. I have some questions related to what you called practical performance indicators in terms of dealing with individual ministries.

One of the concerns I have about the way governments operate is the degree to which their structure is often not set up so that they are accountable to the public, the people they serve, but that the accountability structures are slightly different; there's no measuring the success of the outcomes of whatever it is they're doing as a group. I'm wondering to what degree you see that as a process of having ministry officials at various levels going as far as identifying the goals their activity is meant to achieve—I suppose I mean that in a broader sense—and then what mechanisms you would see that would test how well those goals are achieved. If you think about Education, obviously one of the theories behind testing in an education context is that you test the success of the system in delivering on education. I'm sure there are ways in other ministries. Each of them has goals, and often, they don't test how well they deliver what they're delivering.

When you think about, in the broad sense, the welfare system, I suppose you could identify its goal as being improving the lot of those people to whom that money is directed. I'm not sure at the end of the day that, subject to them actually receiving the money, the lot is changed very much of the people. In other words, the percentage of the poor in our population over a long period of time hasn't changed significantly.

I realize that's a fairly broad-brush approach to the goals of a ministry or a certain service. I'm wondering how broadly or tightly you'd start to define those practical performance indicators and how you envision the tests, in some cases, for those goals being outlined and being done.

Mr Peters: In the broader sense, this normally follows a five-part procedure. As you know, every organization that comes forward with a budget to the Legislative Assembly outlines its objective as to what it likes to achieve. The first step is to translate those objectives into those which are quantifiable and those which are not; there are some that are only qualitatively assessable. After that is done, it is to determine from those which can be quantified, actually those which can be measured—it's state of the art; you may not want to measure, where the measuring itself takes an incredible amount of administrative effort and cost, but for those where you can measure the performance—that the performance is measured and reported and that management evaluates these based on the report and takes corrective action. Definitely, the intent is really to be results-oriented and output-oriented: "What are we achieving?"

Currently, what worries me is that in many government departments, simply because there is no real determination of the bottom line, the accountability framework really replaces a bottom line. You don't need to perform and develop a profit, but you should perform within this framework and you should know whether you're doing well.

For example, we have measured for many times the quality of our education by the number of school buildings we built. That was because it was easy and measurable: "We spent so many bucks educating kids, and the average class size is down to this or that, whatever." That is really, in a way, not results-oriented, so we would be looking, in this performance development, for outputs of the education. That would be just a step.

Mr Murphy: If I can follow up, that's my concern. The key, the first step, is identifying what goals are really the proper goals. I think you're quite right in education. How much money we have spent on building schools is one measure. I don't think that's a very effective measure of how good an education you're providing the children. So I see that as being a major battleground: assisting ministries in identifying what the actual goals are. I'm wondering how you see that working in practice.

Mr Peters: In practice, as far as the legislated accountability framework is concerned, it's only that they have as part of their day-to-day responsibilities to obtain value for money, to make sure they use or manage their financial, human and physical resources with due regard for economy and efficiency and that they are carrying out their operations effectively. It's the

carrying out of the operations effectively which is the—there are ministries producing statistics that would fill this room in about a month. In fact, this point of working together with them is really trying to find out, "Which of those do you need in order to achieve the results you're intending to achieve?" That's where the work is going to be done.

1120

The other one is the number. I've been in organizations where, once you start this process, all of a sudden you find that they want the deputy minister to monitor literally something like 2,500 performance indicators a month. Then they wonder why the administration is going out of its mind and why they are adding staff and all this sort of thing. The other part is to say, "If you really want to know if you're achieving what you want to do, which of, say, the 10 most meaningful can you measure, and which ones should you measure?" That's part of the other approach.

We had that happen here. We had, for example, Community and Social Services tells us that because there are so many recipients—their number has swelled from 600,000 to 1.2 million recipients of welfare: "Never mind the statistics. What we are worried about is, the person comes to the door, they need help, they get help." It's that sort of workload that we have to take into consideration too, and we have to see what they can achieve as things go on.

Mr Hope: I'd just like to clarify something. When the comment was made around social services, "Get them help right away," it was to try to control what the auditor recommended about CPP and other benefits that are out there, that are allowed to recipients, to work with them to access those other programs. That's what the deputy was trying to express, that we're working with them to look at what you have expressed in the auditor's report about trying to fix the mechanism. That's what the deputy was trying to get across, not exactly "Just give them money"; we were trying to look at the whole thing.

Mr Peters: He's looking at the whole thing, but if you recall, the point I'm referring to is that he said he needed about 450 more people in order to merely follow up whether the payments were achieving the desired effect.

Mr Hope: It's just that sometimes they use Hansard for quotes you make, and I think it's appropriate just to correct the record.

Mr Peters: Thank you very much for that.

Mr Robert Frankford (Scarborough East): I can see real benefits from the auditor being, how shall I say, a critical evaluator of non-fiscal statistics.

You mentioned one or two things that interest me and annoy me. One in particular is, in education, the dropout rate. This is a favourite topic of commentators, that our high school dropout rate supposedly is the worst in the world. I believe there's an inconsistent methodology there. I believe it would be very helpful to us as legislators, to the world at large, to know exactly what is meant by it. Just using a figure, sometimes you see 30%; recently I think Statscan changed its methodology and it's now 18%, and the Scarborough Board of Education did its own estimate, which it said is 5%. I don't believe the differences are that pronounced, that each one is performing all that differently.

I think it would be very useful to have as much critical guidance on this as possible. I think things like this could perhaps be very usefully performed by the auditor. Do you have some comments on that?

Mr Peters: I've really two comments on it. I certainly agree with you. The key point is really that the ministry, which sets the curriculum, which is responsible for administering all these transfer payments, sets what its expectations or criteria are for what it considers a well-managed school.

The other part is that it requires a certain amount of expertise. From the audit perspective, we would certainly not expect financial auditors to have the expertise. Part of this value-for-money approach to auditing is that we would bring experts to bear, to help out in particular projects. We would not strictly look at these things from a financial point of view but also use expert services for other areas that are quantified but not necessarily financial.

Mr Frankford: Okay. I'll pass.

Ms Poole: I did want to point out one thing. When the auditor has talked about management responsibilities and providing an annual corporate plan to the minister which would include the entity's objects and objectives for the next five years and that type of thing, I wanted to bring one thing to your attention. Back, I'd say it was probably four years ago, when I was on public accounts, we had a presentation—I believe Ray could correct me, but I think it was from the St Lawrence Parks Commission. What we found was that they had actually changed their objectives, which had originally been mandated for them, to include a social component. They were going to provide employment to the area and they had added that, but their objectives never stated that.

I was wondering if one of the things you might want to consider is that they would have to annually review their objectives and ensure that the particular agency or commission is actually meeting and abiding by those objectives. It was just something I wanted to bring to your attention for future information.

Mr Peters: That is covered in the next point, "Provide notice of any substantial changes to business activities inconsistent with the latest plan provided." That would be the intent.

Ms Poole: I noticed that, but I would like to see it

fairly firmly that there has to be an annual review, because in their opinion they hadn't changed anything. They saw nothing wrong with it. We said, "Well, actually, providing employment to the area, we don't see anything wrong with it, but, I'm sorry, it's not within your mandate." That's, I guess, the point with the annual review, to really ensure that things don't slide by, because they might not think it's "business activities inconsistent."

Mr Peters: Right, I agree with you totally. The intent is probably poor wording, but it is "Provide an annual corporate plan to the minister," so they have to do it every year. But every year they roll out five years in the future, just like they do annually, so they would have to do this. We have found this in Ontario. We have found, for example, organizations that went what I call cherry-picking. They had seven objectives and they said, "These five are fine, we'll do those, but the other two we don't like, so we don't do those," and they have to be accountable for that as well. That's intended.

Ms Poole: That's good. You've obviously taken that into account. I was reading it from the five-year capital budgets and I was thinking that the review would just ensure that they actually did specifically review what their mandate was on an annual basis as opposed to sliding it in.

Mr Chair, there were just two other brief points I wanted to make. First, I certainly would like this committee to give the auditor the authority to deal with the framework first, prior to going to the Audit Act amendments, and if you require a motion to that effect, I would be pleased to put it on the floor.

The second thing, which is more in the nature of a question for the auditor, is that you've mentioned you want to work with the agencies to develop the framework, which I think is very positive, as opposed to going from the top down, to find out some of the problems from the agencies and work it out before you get to your recommendations.

Would you see a place for the public accounts committee in perhaps our summer session to have some of these transfer agencies in or these commissions to talk to us about what they see are some of the problems and some of the solutions or is this something you would quietly want to happen over the next six months, where you'd be dealing with them directly?

Mr Peters: There may be some benefit in having some. I notice from the schedule that is attached to the material that I believe you received, it deals with matters under consideration. For example, the Toronto General Hospital, it's a bit open-ended. It says that on November 24 a letter was sent to the minister requesting that the minister and deputy appear before the committee to discuss the special audit. That may be, for example, one opportunity, but I guess the answer to your question, albeit long, is yes.

Ms Poole: So there is some potential that this summer that might be a good opportunity?

Mr Peters: Yes.

1130

Ms Poole: Rather than giving you time, for instance, to work with the various agencies before public accounts assisted with the matter?

Mr Peters: Some, yes. There are two ways of doing it. Most likely with this hospital, you may want to have them back and have their perspective on it. You definitely will have the workers' compensation report also to deal with, which is a different agency, not funded. But how one wants to deal with that particular situation is another opportunity. Then in the report itself, there are some crown agencies that were dealt with in the report, and it may be just build it in with the report rather than asking agencies that have not gone through the experience of an audit. That's the only caveat.

Mr Waters: As I said earlier on, I'm just subbing in today, so some of my questions may have been asked before and answered. I'm concerned, I guess, with this auditing, and in some of the statements that you've made you're saying that, although you don't want value for money, somebody has to keep an eye on the store. What I'm concerned about is what might seem to be of no or little value in Toronto—a program that's out in a remote area of the province in that area could be a very important program—and how as an auditor or as a ministry do you deal with that, because I get some concern.

You brought up schools for one. I can tell you in my area, which is Muskoka-Georgian Bay, we need more schools because we bought into the government plan of the day, bigger is better, and we now have children being removed from their communities, being dragged out of their communities at three and a half because in order to get ahead you have to be educated. They're being shown by a system that their community has no value. After all, you had to leave it at three and a half.

Mrs Marland: What do you mean at three and a half?

Mr Waters: That's junior kindergarten. You leave your community at three and a half now to go to school in Muskoka. You look at the situation. I'll give you one: Port Carling and Bala. Bigger is better. What did they do? They built the school in between the two communities. Neither of those communities has an opportunity to have its own school.

Mrs Marland: You're not suggesting that we start building schools in this province in every little village and hamlet?

Mr Waters: Yes, I am. I'm thinking that we have to go back to neighbourhood schools and community schools, because the social cost otherwise is so great,

and we're seeing it right now. As a rural person I feel very strongly about this. City people don't seem to have the same reaction to it at all, obviously. That's an example of why I get concerned about how auditing is done and I guess some of my concern of what you're talking about here, about changing the system, because I think the system should be looking at the value to the community in which the system is serving.

The Chair: I'm sorry. Is there a point of order, Mrs Marland?

Mrs Marland: No, just put me down. I can hardly wait to speak.

Mr Peters: May I respond, though, first?

On this particular point, actually, there are two very important features of your question from my perspective. The first one is that it is a policy issue and policy is out of bounds for me. I cannot deal with policy. I would be criticizing, really, the Minister of Education and Training, effectively, because it's his role to set the policy as to how he wants to administer education in the province. So I could not cover that particular piece.

Mr Waters: You can't interfere with that.

Mr Peters: No, I cannot interfere with that at all.

The other point, though, is important: Again, how do we know we deliver education well? And there we would look to the ministry, essentially, to raise these points, and it would develop the criteria for the development.

Mr Waters: On the same thing, you would be able to comment on transportation costs and that? Because we now have students who at this present time in Muskoka are going up to two hours each way to school. Now take that three-and-a-half or five-year-old kid, put him on the bus for two to three hours, up to four hours a day, and tell me he's getting a quality education.

That's the test to me, because the Education Act says children must be educated to the best of their ability. To the best of their ability, you put four hours on a bus in a day, you're not getting the same education as the student who walks a block. I guess that's what my concern is. Who sets the test criteria?

Mr Peters: Essentially, the minister and the ministry, because that's a policy issue. I can get into this to the effect that they are not effectively scheduling the buses. For example, it should take them 10 minutes to get from A to B and because of scheduling problems they make the kids sit in the bus for two hours—I can comment on that, but I cannot comment if they sit on the bus for two hours because of a policy.

Mr Waters: So if the policy is big schools in larger communities, and that's been the policy of the Liberals and of the Conservatives historically to do away with community-based schooling, then you can't comment on that?

Mr Peters: No, that would be totally outside my purview.

Mr Callahan: I don't think you should even have to comment on that.

Mr Waters: But going the other way then, the other concern I have is that in Toronto—and I'm going to pick on Comsoc for a little bit here—where you have a number of agencies and there are enough people in each agency that they can be self-supporting or free-standing within the system—but then you go to a place like Muskoka where we have the same number, but each one has its own administration and all of that, you can't comment on that either because it becomes an efficiency problem then.

Mr Peters: That is an overall governmental efficiency and again, the establishment of each office is governed by the ministry and the minister in that regard. I don't want to hide behind anything on this, but service delivery by government is certainly going to be an issue.

Mr Callahan: It's policy too.

Mr Peters: Yes. Where it's policy I can't touch it, but where it's service delivery, economic use of resources of the government—

Mr Waters: Yes, I guess that's what I'm trying to get at. Exactly where is the dividing line or what is the test or whatever to where you step over the line, or what's your half of the pie?

Mr Peters: The test is really within the ministry, where does the ministry put the line. In other words, I cannot and do not as auditor determine where that line rests, but the ministry determines where its policy line is.

Mr Waters: I'm starting to understand now.

Mr Peters: Certainly there will be some debate but you are quite right, this is a grey area and subject to quite extensive negotiation.

Mr Waters: And when you get into small communities there are things set up historically that were very well intentioned. But because they're so far removed, you get a ministry like Comsoc that is so vast, and this is something that's way out here on the end and then it's removed once again. The accountability of some of those leaves a lot to be desired, I think, at times in very remote parts of the province. I guess that's what I was trying to get at, who they're accountable to and on what side.

Mr Peters: I hope I've answered your questions.

Mrs Marland: Is it my turn now?

Mr Waters: Margaret, you don't like schools.

Mrs Marland: First of all, to place on the record without going into a lot of detail, I totally support the direction that the auditor is discussing with us this morning and I agree with him.

Now, I cannot let the comments of the member for Muskoka-Haliburton, or Muskoka-Parry Sound in any case—Mr Waters, what is the name of your riding? I want to get this on the record. Is it Muskoka-Parry Sound?

Mr Waters: No. Georgian Bay.

Mrs Marland: Muskoka-Georgian Bay. When he talks about value for money versus value for the community, he opens up a very interesting question because he is giving an example of the fact that there is not a school in every little community in his riding, nor is there a school in every little community in this province. What you're saying really begs the question. Would you want a school in Santa's Village in Bracebridge? What you're saying is so—for someone I respect as being an intelligent member, I can't believe what you've just said this morning. I can hardly wait to give a copy of the Hansard from your comments this morning to whoever is running against you in your riding in the next election. I may even give it to the Liberal candidate as well as the Conservative candidate.

1140

Mr Callahan: What's that? Are you contributing to my campaign again?

Mrs Marland: You know what I want to tell you, Dan? Through you, Mr Chairman, to the member, I would like the member to know that school busing in urban areas can amount to an hour or an hour and a half on a bus, so don't think that your children are badly done by because they have to spend an hour or an hour and a half getting to their schools on buses. We have examples in the region of Peel, which is the largest public school board in Canada, where by necessity we bus children sometimes from the south of Mississauga to the north of Brampton or the reverse, depending where the school accommodation is available, because the school accommodation crisis in a growth area like the region of Peel is unbelievable.

So let me just say something to you. You say we're pulling children out of their communities at three and a half because we don't have a little school in their village for them to walk to. There's a choice here. I have to ask you if, when you're arguing for this, what you're really arguing for is in favour of going back to the old one-room school concept. That's what we used to have in this province, with all the so-called, at that time, disadvantages. There were people in this province who didn't want a one-room school house in every village and every small community.

Just one final shot that I can't resist: As someone who owns a 100-year-old cottage that's 1,000 square feet on which I pay $3,000 in taxes a year, I cannot even send my children to the schools in Muskoka. When there was a strike where we live in Mississauga, we could not send our children to the schools in Muskoka, although we pay full school taxes.

So if we're looking at value for money under the auditor's jurisdiction—and I agree totally with him that right now you and I are discussing something that's policy and not under his jurisdiction—

Mr Waters: I was wondering when we were going to get to that.

The Chair: I'm being very lenient.

Mrs Marland: But I say with respect that if we are looking at value for money—we can't look at exclusivity, which is really to come under the discussion of the tax commission, but isn't it interesting that here you're saying, "Well, there should be a school in every community"? I would ask the people in your riding, personally, if they would want to have the burden of the cost of that kind of system? The people in your riding, frankly, wouldn't have the schools they have if it wasn't for the non-residential taxpayers who pay 80% of the tax load to provide the excellent schools that are in that riding today as it is.

The Chair: Point of order, Mr Callahan.

Mr Callahan: I think the auditor has asked us for a specific motion, and we're getting off the topic, with all due respect. We've only got about 10 minutes left, and I think it's important that we give the auditor that direction.

Maybe you could repeat for those who were not here what you're looking for, the direction you're looking for. I gather it's that you want—I wrote them down someplace and I can't find them—approval in principle to establish a framework of accountability before the Audit Act is amended. Is that correct?

Mr Peters: That's right.

Mr Callahan: And work with central agencies to develop a—I can't read my own handwriting.

The Chair: Perhaps the auditor could review or summarize those.

Mr Callahan: Yes, and maybe what we could do is put it into the form of a motion, and let's deal with it. Is that all right?

The Chair: Sure, we can do that. I think the point of this today, if I just may, just to help with the discussion and where it's going to lead to, was to order this for some time in the future, perhaps in our hearings at some later date to deal with some of these other items.

Mr Callahan: That wasn't the impression. I think you weren't here when he—and also with reference to his letter that he sent to Floyd Laughren, I guess.

The Chair: No, I understand there's further work to be done by the auditor with the clerk.

Mr Callahan: Yes, he wants a motion now to allow him to do this because the Treasurer—

The Chair: I understand, so if you want to put that motion, we can—

Mr Callahan: Maybe the auditor could do it because he's got the wording properly, then I will say I moved it and the clerk can copy it down and read it back and let's vote on it, because I think that's a precedent really to—and getting that done before the Audit Act is amended itself because after that it might be not a good idea or it wouldn't be as effective.

Mr Peters: Or we know the verdict better. That's what I wanted—

Mr Callahan: So can you just read it out for the clerk?

Mr Peters: The first one was to obtain approval in principle from the public accounts committee to establish a workable legislated accountability framework before any amendments are made to the Audit Act. That is the first one.

Mrs Marland: I'll move that.

Mr Peters: That would be the PAC motion. It's up to you whether you want to build the other steps that I have in mind. The action that I take, based on your approval in principle, would then be to work with the central agencies to develop an effective accountability framework and practical accountability framework, especially for transfer payments.

The Chair: Can I just interrupt for a moment, please? When you're completely finished you can give it to Tannis.

Mr Callahan: The auditor has it in writing.

The Chair: Okay, why don't we repeat the first one so that we can get it down on paper and then Tannis could record that. Repeat it slowly.

Mr Peters: The motion would be to approve in principle that a workable legislated accountability framework be established before any amendments are made to the Audit Act.

The Chair: That the public accounts committee approve, that's what you're asking for.

Mr Peters: Yes, that's right.

The Chair: Just bear with us until we get this straightened out and then we'll repeat the motion.

Mr Peters: And the other points are just for your understanding as to what action plan I propose. Once you have put it in motion through the principle, that's what I propose to do.

Mr Callahan: So what you've moved is sufficient, then. Perhaps we could vote on that, Mr Chair.

The Chair: I'm just waiting for the final motion.

Mr Murphy: Just a point of clarification: The action plan that you've outlined, that is in essence part of your development of the accountability framework.

Mr Peters: That's right.

Mr Murphy: So that what we're approving in principle is your moving in essence on that four-pronged action plan.

Mr Peters: Right. At this point I'm in your hands because I'm not sure whether you as a committee want me to take an active role in developing that. Right now I've used very neutral wording in terms of "that the framework be established." But if the committee wishes me to take an active role, then we can build that into the motion.

The Chair: Could I just clarify something in the motion? Perhaps you could read it and then we'll clarify it.

Clerk of the Committee: Mrs Marland moves that the public accounts committee give approval in principle for a workable accountability framework to be established before any amendments are made to the Audit Act.

Mrs Marland: Could I add that the auditor be invited to be involved in establishing that framework, because obviously he's the one who knows how to do it?

1150

Clerk of the Committee: My question was going to be, who would do this accountability framework? It's not clear in the motion.

The Chair: Yes, that's what we were going to clarify.

Mrs Marland: Obviously we would have to involve the auditor. I don't know who else you would suggest.

The Chair: Could we just get from the auditor, Mr Peters, what you had in your notes?

Mr Peters: Yes. Could we build in at the front that the committee resolve to approve that the Provincial Auditor pursue the establishment of a workable legislated accountability framework before any amendments are made to the Audit Act?

The Chair: Yes. So it refers to the Provincial Auditor and I think we could just put that in.

Clerk of the Committee: I'm just trying to figure out what would go in.

The Chair: Okay, that the public accounts committee give approval in principle for the Provincial Auditor to establish a workable accountability framework.

Mr Peters: To pursue the establishment of it.

The Chair: Right, the establishment of a workable accountability framework.

Mr Peters: Yes, and if you want to say "by the central agencies."

The Chair: Is that sufficient or is there anything else you would like us to add? Just bear with us on this—a little patience—so that we can get this right.

Mr Peters: Jim is making the point that the action has to be taken, really, by the Management Board or the treasury board. That's the central agencies.

The Chair: How would you like us to word that, then, more specifically? Because as it's worded now, that the committee give approval in principle to the Provincial Auditor to pursue the establishment of a workable accountability framework—

Mr Peters: By the central agencies.

The Chair: Okay, so you want that added there, "by the central agencies."

Mr Peters: Yes, definitely, because they have to do it. I can't establish it.

Mr Hope: What's the power of authority? Do we have the power of authority, as a committee, to pursue that?

Mr Callahan: Oh, yes.

Mr Hope: I see you're saying, "Oh, yes." I just asked for clarification. Do we have the power of authority?

Mr Callahan: It's probably the only committee that has the power of authority.

Mr Hope: Oh, okay.

The Chair: What we're doing, in a sense, is allowing the auditor to pursue this course of action. It's giving him the opportunity to do that or the authority to pursue this course of action. It really then depends on, I believe, treasury board and Management Board to comply with that, if they deem it appropriate, and they'll deal with you on that basis.

I think Tannis is just clarifying that and getting it in one complete motion now and then we'll read it back into the record and I'm sure it'll be clear to everyone.

Mr Hope: Before the committee rises, there is a point I'd like to clear up that I think is important around this conference stuff.

The Chair: Okay, if committee likes, after we deal with this motion, we have an additional five minutes.

Mr Callahan: I have a notice of motion I'd like to put on the record before 12 o'clock.

Mrs Marland: Randy's been trying to speak for some time.

The Chair: We'll deal with Mr Hope's point and then the notice of motion from Mr Callahan, if I can order the next five or seven minutes on that basis. We now have that motion completed, so would you like to read that into the record?

Clerk of the Committee: Mrs Marland moves that the public accounts committee give approval in principle to the Provincial Auditor pursuing the establishment of a workable accountability framework—

Mr Peters: Legislated.

Clerk of the Committee: Legislated? Okay, let's try it again.

Mrs Marland moves that the public accounts committee give approval in principle to the Provincial Auditor pursuing the establishment of a workable legislated accountability framework by the central agencies to be established before any amendments are made to the Audit Act.

The Chair: Is that completed? Yes. That was moved by Mrs Marland. All in favour? Unanimous.

Mrs Marland: Did you note that it's unanimous, Mr Chairman?

The Chair: Yes, the vote is unanimous.

Interjections.

The Chair: Order, please. Could I ask for your indulgence because we're running out of time. Mr Hope has a point that he wants to raise and then we're going to move to Mr Callahan's notice of motion.

Mr Hope: As we entered into this discussion after 10 o'clock, I've had an opportunity to review the letter that was sent to the Premier about the national conference that's being held. The specific part of that letter only asks that the Premier be the guest speaker. The second paragraph states that it's just the host. It doesn't make any reference to funding it or whatever. The only request of the Premier in that whole letter is that he be the guest speaker, or other ministers be the speaker.

I guess we were arguing at the beginning about the letter that was sent to the Premier. I've had an opportunity to review the letter, and I say that if the committee is looking for direction from the Premier to support it, then you should be putting that specifically in the letter.

Mrs Marland: I would have assumed it was in the letter.

Mr Hope: I guess, to make all clarity, the letter could maybe be read into the record.

The Chair: Can I just ask the clerk to clarify that? Would you like to comment? I think the letter was addressed from the Chair at the time.

Clerk of the Committee: This is a letter addressed to the Honourable Bob Rae, Premier of Ontario and Minister of Intergovernmental Affairs.

"The Canadian Council of Public Accounts Committees and the Canadian Conference of Legislative Auditors have held annual conferences for the past 14 and 20 years respectively. This year's conferences will be held in Toronto at the Hotel Inter-Continental on July 4-7.

"It has been customary for the government of the host province to provide a reception and dinner for the delegates of both conferences and their spouses or guests. Total attendance is usually in the range of 150-200.

"As host chairs for the 1993 conferences, we would be very pleased if the government of Ontario would sponsor a similar reception and dinner on Monday, July 5, 1993. It has also been the practice for the Premier or a senior minister of the host province to be a guest

speaker at this social function. We would be honoured if this tradition could be continued.

"Your early consideration of this matter would be much appreciated."

Signed by Remo Mancini and Erik Peters.

The Chair: Before I allow further debate, we're not going to have enough time to sufficiently deal with this if we allow everyone to—we may have one minute for each caucus. Mr Hope, would you like to comment?

Mr Hope: All I would do then is ask, because it's his sponsor, if we're asking for direct funding from the government or from the Board of Internal Economy, then let's put that forward, that the endorsement of the Premier endorse the Board of Internal Economy, because the Premier doesn't have that budget. It's the Board of Internal Economy, and all that will get lost in a paper trail because it will be referred to another ministry.

The Chair: If I may clarify, because I'm going to not allow further debate on this because of the—

Mr Hope: I just want clarity so that we can really deal with this issue.

The Chair: Just let me make one point of clarification. The protocol office in Intergovernmental Affairs was dealing with this matter. Informally, we were notified that they would not be picking up the full costs of the dinner. That's how we got to this point. So it was requested that the government sponsor this through the office of protocol, which is customarily how it's handled. Here's where we are today. The response was—I think the debate was clear this morning.

I'm going to move on to Mr Callahan's notice of motion.

Mr Callahan: If I could just serve notice of motion: I move that the auditor be authorized, under section 17 of the Audit Act, to carry out a special audit to investigate large quantities of assets purchased but not used and presently being warehoused by Ontario Hydro, and further, the recent renovations and replacement of furniture at the General Division courthouse at 361 University Avenue, Toronto, including the costs thereof, and when such renovations were last carried out.

I serve notice of motion on that. I will elaborate on it on the next occasion, but I understand that there's something like half a million dollars worth of furniture that was purchased by Hydro. They decided it didn't fit the interior decorator's mode of thinking and it's now stored in a warehouse someplace and they keep moving it around. I think it's very important, particularly in light of the cost of our hydro rates, that we have Hydro here under the terms of that audit at some point to find out exactly whether that's the case and where it is, and also with reference to the courthouse. Those are expenditures that we can hardly afford if they're—

The Chair: Thank you, Mr Callahan. I'm sorry; I'm going to cut off debate there and call for the adjournment of the committee because the bells are ringing.

The subcommittee will be meeting immediately following the votes in the House.

Mr Waters: Which government member?

The Chair: That's a good question. If I just may ask, is one of the government representatives—

Clerk of the Committee: Mr Duignan will be there.

The Chair: Thank you. I adjourn the public accounts committee for this morning.

The committee adjourned at 1200.

CONTENTS

Thursday 17 June 1993

Conference budget P-63
Accounting principles P-68

STANDING COMMITTEE ON PUBLIC ACCOUNTS

*__Chair / Président:__ Cordiano, Joseph (Lawrence L)
*__Vice-Chair / Vice-Présidente:__ Poole, Dianne (Eglinton L)
*Callahan, Robert V. (Brampton South/-Sud L)
Duignan, Noel (Halton North/-Nord ND)
Farnan, Mike (Cambridge ND)
*Frankford, Robert (Scarborough East/-Est ND)
Hayes, Pat (Essex-Kent ND)
*Marland, Margaret (Mississauga South/-Sud PC)
*Murphy, Tim (St George-St David L)
O'Connor, Larry (Durham-York ND)
Perruzza, Anthony (Downsview ND)
Tilson, David (Dufferin-Peel PC)

**In attendance / présents*

Substitutions present/ Membres remplaçants présents:
Hope, Randy R. (Chatham-Kent ND) for Mr Hayes
Waters, Daniel (Muskoka-Georgian Bay/Muskoka-Baie-Georgienne ND) for Mr Duignan
Wessenger, Paul (Simcoe Centre ND) for Mr O'Connor
Wilson, Gary (Kingston and The Islands/Kingston et Les Îles ND) for Mr Farnan

Also taking part / Autres participants et participantes:
Otterman, Jim, R., Assistant Provincial Auditor
Peters, Erik, Provincial Auditor
Sciarra, John, administrative assistant to Provincial Auditor

Clerk / Greffiére: Manikel, Tannis

Staff / Personnel: McLellan, Ray, research officer, Legislative Research Service

C220N
NE2
-P12

Government
Publications



P-7

ISSN 1180-4327

Legislative Assembly
of Ontario

Third Session, 35th Parliament

Assemblée législative
de l'Ontario

Troisième session, 35e législature

Official Report of Debates (Hansard)

Thursday 24 June 1993

Journal des débats (Hansard)

Jeudi 24 juin 1993

Standing committee on public accounts

Subcommittee report

Annual Report,
Provincial Auditor, 1992:
Ministry of Health



Comité permanent des comptes publics

Rapport de sous-comité

Rapport annuel,
Vérificateur provincial, 1992 :
Ministère de la Santé

Chair: Joseph Cordiano
Clerk: Tannis Manikel

Président : Joseph Cordiano
Greffière : Tannis Manikel

Published by the Legislative Assembly of Ontario
Director, Hansard Reporting Service: Don Cameron

Publié par l'Assemblée législative de l'Ontario
Directeur, Journal des débats : Don Cameron

Hansard on your computer

Hansard and other documents of the Legislative Assembly can be on your personal computer within hours after each sitting. Sent as part of the television signal on the Ontario parliamentary channel, they are received by a special decoder and converted into data that your PC can store. Using any DOS-based word processing program, you can retrieve the documents and search, print or save them. By using specific fonts and point sizes, you can replicate the formally printed version. For a brochure describing the service, call 416-325-3942.

Index inquiries

Reference to a cumulative index of previous issues may be obtained by calling the Hansard Reporting Service indexing staff at 416-325-7410 or 325-7411.

Subscriptions

Subscription information may be obtained from: Sessional Subscription Service, Publications Ontario, Ministry of Government Services, 50 Grosvenor Street, Toronto, Ontario, M7A 1N8. Phone 416-326-5310, 326-5311 or toll-free 1-800-668-9938.

Le Journal des débats sur votre ordinateur

Le Journal des débats et d'autres documents de l'Assemblée législative pourront paraître sur l'écran de votre ordinateur personnel en quelques heures seulement après la séance. Ces documents, télédiffusés par la Chaîne parlementaire de l'Ontario, sont captés par un décodeur particulier et convertis en données que votre ordinateur pourra stocker. En vous servant de n'importe quel logiciel de traitement de texte basé sur le système d'exploitation à disque (DOS), vous pourrez récupérer les documents et y faire une recherche de mots, les imprimer ou les sauvegarder. L'utilisation de fontes et points de caractères convenables vous permettra reproduire la version imprimée officielle. Pour obtenir une brochure décrivant le service, téléphoner au 416-325-3942.

Renseignements sur l'index

Il existe un index cumulatif des numéros précédents. Les renseignements qu'il contient sont à votre disposition par téléphone auprès des employés de l'index du Journal des débats au 416-325-7410 ou 325-7411.

Abonnements

Pour les abonnements, veuillez prendre contact avec le Service d'abonnement parlementaire, Publications Ontario, ministère des Services gouvernementaux, 50 rue Grosvenor, Toronto (Ontario) M7A 1N8. Par téléphone : 416-326-5310, 326-5311 ou, sans frais : 1-800-668-9938.

Hansard Reporting Service, 481 Legislative Building, Toronto, Ontario, M7A 1A2. Phone 416-325-7400. Fax 416-325-7430

STANDING COMMITTEE ON PUBLIC ACCOUNTS

Thursday 24 June 1993

The committee met at 1019 in room 151.

SUBCOMMITTEE REPORT

The Chair (Mr Joseph Cordiano): Members of the committee, the public accounts committee will come to order to deal with our business scheduled for this morning. I assume everyone has a copy of the agenda for this morning. There are three items on the agenda. The first is the report of the subcommittee.

We met on Thursday last, June 17, and discussed the committee's agenda for the summer recess. We agreed that the Chair will write to the House leaders and request four weeks of meeting time during the summer recess: one week for the Canadian Council of Public Accounts Committees conference and three weeks for hearings in August and/or September. In addition, we agreed that this letter would note that if the conference occurred while the House was meeting, only three weeks would be required for hearings.

The subcommittee discussed section 3.12 of the 1992 Annual Report of the Provincial Auditor, the housing item. We agreed that the Provincial Auditor will send a follow-up letter to the Deputy Minister of Housing asking when an accounting and management system of non-profit housing units will be implemented.

The subcommittee discussed the Task Force on University Accountability. It was agreed that the clerk will contact the Task Force on University Accountability asking when the task force report will be available.

The subcommittee discussed the agenda. It was agreed that if the House is still sitting, the committee will not meet on Thursday, July 8, as a result of the conference that is being held.

Essentially, that's what we've arrived at. We have further items for the subcommittee to consider with regard to the additional issues or agenda items that subcommittee members will bring forward to our meeting. I believe we have a meeting today at 12, so we will be discussing this afternoon the items to be deliberated upon and considered for the summer.

Any questions? Oh, we need a mover of the adoption of the report of the subcommittee.

Mr Ron Eddy (Brant-Haldimand): I would move that, but I have some questions.

Regarding the first paragraph, is it clarified now as to when the House will be sitting? I believe the sitting has been extended. Does that clear up the matter now of the conflict with the conference? I guess we have a start date for the extended sittings Monday, but I don't think we have a concluding date. That's open-ended, as I understand. It may be one week, two weeks or three weeks. Has a member of the government no indication of that? You don't know whether it conflicts or not?

The Chair: The conference will go on as scheduled, regardless of whether the House sits or not.

Mr Eddy: What date?

The Chair: It will start on the 8th. Pardon me, what am I saying, the 4th. I'm ahead of myself. I'm thinking that because I'm on holiday after that.

Mr Eddy: July 4 to?

Mr Noel Duignan (Halton North): It's Sunday, Monday, Tuesday, Wednesday, the 4th, 5th, 6th and 7th.

The Chair: It's the 4th, 5th, 6th and 7th, yes. It ends on the Wednesday.

Mr Eddy: It may well conflict. On the other hand, it may not conflict. So that's an unknown.

Mr Duignan: I think we can safely assume that the House will be sitting that week.

The Chair: We have to assume that at this point, I would imagine. The conference, however, will go on as scheduled and we'll have to work around that.

Mr Eddy: I'd like to ask a question about a follow-up letter to the Deputy Minister of Housing. I wondered if there had been a response to that. Maybe there hasn't been time to get it there and a response. Also, the third item, contacting the Task Force on University Accountability, is there a reply to either of those? It's just for information.

Clerk of the Committee (Ms Tannis Manikel): I did contact David Coulter, who is the ministry contact I had on the university task force. He indicated to me that copies of the report had been made available to the universities and that they had decided to make it public at that time. They were getting additional copies printed. I had hoped to have copies ready for the committee members today, but they haven't come in yet. I'm expecting them at any time now. I'll get those out to your offices just as soon as they come in.

The Chair: And on the other item, the housing matter?

Clerk of the Committee: The Provincial Auditor gave me the copies of the letters this morning. I've just got them photocopied and we'll be handing them out momentarily.

The Chair: That answers your questions. Mr Eddy, are you moving this report be adopted?

Mr Eddy: Yes, I'd be pleased to.

The Chair: Mr Eddy so moves, that the report of the subcommittee be adopted. All in favour? Carried?

Interjection.

The Chair: Do you have a question?

Mr Duignan: No, I was simply saying that some time ago we reached an arrangement that when the subcommittee agreed on something it was automatically deemed to be accepted by the committee.

The Chair: Yes, we still need—

Interjections.

Mrs Margaret Marland (Mississauga South): I wish my committee was like that. Oh, and the person who doesn't do that is on this committee. Isn't that a strange coincidence?

The Chair: Yes, Mr Duignan, this is just a formality, hopefully. We still need a motion to carry that on record. Carried. The motion is carried.

ANNUAL REPORT, PROVINCIAL AUDITOR, 1992: MINISTRY OF HEALTH

The Chair: We're going to have to deal with Mr Murphy's notice of motion. Is this a notice of motion? No, it's a motion. The second item on the agenda is Mr Murphy's motion, which everyone has a copy of included in your agenda for today. Do I have a mover of this motion?

Mrs Marland: Was this the motion that was originally Mr Callahan's?

The Chair: Yes, it has been moved. Oh, here's Mr Callahan.

Mrs Marland: Oh, we're back to Mr Callahan.

The Chair: This has been moved. I'm just getting clarification from the clerk that this was moved and that we are resuming debate on this motion. I apologize for that miscue there.

Mrs Marland: We had started talking about it.

The Chair: We did and we're resuming that debate. I will take interested parties' questions or debate on this matter.

Mr Duignan: A couple of points on this particular motion: I feel maybe the motion is a little premature. In fact this committee is still looking at the whole issue of the health card in this province. We just recently, a couple of weeks ago, had people in from the Royal Bank and the green card insurance company in here to discuss this issue. I notice that a report has come to the deputy minister's committee and the minister's policy committee this month with recommendations on how and whether to change the health card. Maybe we should have those people from the Ministry of Health come in and give an update to this committee on the process.

Also, the branch in question, the registration program branch, has been in existence for only about a year, long enough to have identified some of the issues and problems and to have identified some of the priorities, but not, I believe, long enough to have fixed those problems. I think another audit so close on the heels of the last would be disruptive and focus energies away from the tasks that actually need to be done.

Again, the last audit on the system was conducted in February of this year, so I think it's a little premature. The ministry has looked at the whole issue and has come back to the committee of the ministry and to the ministry with some recommendations. Maybe we should have those people from the ministry come in here and give us an update on their findings.

Mr Robert Frankford (Scarborough East): For a start, could we have it clarified where we are in the whole health card review? As Mr Duignan says, we're still going to presumably prepare a report on what we've heard. In referring to the hearings we've had about smart cards and so on, are we exploring the whole thing quite broadly? I personally was not quite clear why we were having those reviews, but the committee felt that this was quite appropriate. But if that is the case, then I think we should keep on exploring. I don't think we exhausted all the alternatives just with the two sessions we've had on that.

Secondly, as I've mentioned before, I think there are some real problems in the whole payment system affecting practitioners. I have suggested before that we might want to give the OMA the opportunity of coming to give us an update on how it's finding the health cards working out in practice.

1030

The Chair: I don't know if you want me to respond to that. Just to update what the subcommittee has said on that item, I believe we agreed that we would consider the outstanding items around this issue when we're sitting in the summer. We've certainly not concluded in terms of that piece of business. We haven't concluded that. As a result, we would be considering some of the outstanding matters that were still before the committee. We haven't wrapped up that report, unless the auditor wants to comment further on anything that he sees necessary with this item.

Mr Erik Peters: No, I think everything has been put on the table that is to be considered. I'm not sure whether the February intervention is actually a full audit, but I agree with the disruptive point that was made.

Mr Robert V. Callahan (Brampton South): I'd like to have a review in this aspect. In the auditor's report, under the topic "Valid Health Cards," it says, "A key objective of the registration system was to tighten control over the fraudulent and unintentional abuse of Ontario health benefits by non-residents."

Down further, it says, "If an individual used an

invalid card, the ministry would reimburse the service provided for the medical care and notify the provider that the card was invalid."

I have a letter here and I'm going to ask the clerk to circulate a copy to all of the members of the committee. The nuts and bolts of this is that a constituent of mine wrote me. They discovered that their 14-year-old daughter's health card would no longer work. They assumed that the magnetic strip had been deactivated by something. They contacted the ministry. Instead of the ministry saying, "Go ahead and use it," this young lady was denied service.

There was a question about the birthdate of this child. The child had used the card. The card had been used on a number of occasions, and yet here they were disputing it because the date of birth was wrong. In the meantime, this person was having difficulty. I'll just find what her illness was. My constituent called the Ministry of Health, and it took a considerable period of time to even get any information, and then it told them it wouldn't give them any information.

"There was no warning written or verbal that the health card had been rendered null and void.

"My daughter sees a specialist regularly and has a recurring medical problem that she thought she might have to quickly go to a walk-in clinic about." The concern of my constituent was: "Would she be denied service? What happens in the interim while she's waiting to be validated? What could happen if she had to go to an emergency?"

The question's raised by my constituent: "Shouldn't the Ministry of Health be accountable and responsible to inform their clients of an important termination such as this? Albeit temporary, it is very unsettling.

"It took me one half of one hour to get through with multiple attempts and a 10-minute wait on hold. Isn't the purpose of a ministry to serve its people? If this was a company, this would be inadequate service. My time is equally valuable and half an hour was too much time for me to take out of my workday. Also, after a long wait one can tend to feel a little snarly.

"By the time I did talk with"—and I won't name the person she spoke to—"she sounded strained and impatient and it was only 9:30 am, one hour past opening time on a Wednesday.

"It would have been very easy to correct the incorrect number. There is something disconcerting"—this is my constituent talking—"about not being believed about the birthdate of your child. I had suggested that perhaps the data had inadvertently been entered incorrectly and this was refuted." This employee, whose name I won't give, "thought that it was an error outside of the ministry. However," my constituent's daughter's "card was valid all along since it was issued until now.

"I can understand bureaucracy, I can understand confidentiality, but there is something fundamentally wrong with a health care system that is out of touch with humanity.

"For the record, this is the third time that we have had dealings with health card issues. First, my husband's card broke. Second, my doctor's office told me to phone the Ministry of Health and obtain a version code for my son's card and the ministry" said "there was nothing wrong with his card. She instructed me to tell our doctor to resubmit the claim.

"And now, this wonder card won't work because of someone's error and the near-deity status of the computer. Something is wrong here. Where are our priorities and where is our good faith? What is being held as most valuable in this process of health care?

"I don't think that we can't afford to ask these questions along with a myriad of others. And, if we don't ask questions, we don't get answers. So, can we get some answers, please?"

I think there's a lot more wrong here than just the—the major thing obviously is the number of cards that were issued vis-à-vis the number of people in Ontario. That's a major problem, and that's one the auditor has addressed, and we should probably go back and follow up on that to see how we're doing.

But I think more importantly than that is that the service to the public with this card—if the card is going to create problems for people, and if there's not a fail-safe provision and legitimate people using the card can't get services, then there's something wrong.

I'm not sure whether this is an audit—what's the terminology we use?

Mr Peters: Value for money.

Mr Callahan: Value for money. I think it's value for money for the citizens of this province if the system does not provide some fail-safe mechanism for this. We're trying to stop the fraudulent use, but in the meantime we're supposed to have a universal health care for people and they're supposed to have access to health care without being run around the block like a Philadelphia lawyer. I find it really objectionable.

I'm going to file this with the public accounts committee, and I'm going to ask that we have the auditor go back and not just look at the question of how we're doing in terms of the question of fraud and inappropriate use, but also the question of, have we set up such a red tape bureaucracy that we may be denying universal access to people such as my constituent, Ms Lisa Sportel of Brampton?

The Chair: Mr Callahan, I just wanted to point out, are there names in this letter, and do you want those revealed to this committee?

Mr Callahan: I didn't reveal the names on television, if we're being televised, of the employee.

Mr Duignan: If you label it, it becomes a public document.

The Chair: Yes. I just wanted to make that clear to you.

Mr Callahan: I don't think there's any great problem in that regard. As long as it's a public document here, the employee was the employee, but no need to put them on television.

The Chair: That's fine. I just wanted to make sure you were aware of that.

Mr Callahan: I appreciate that, Mr Chair.

The Chair: It's entirely your decision.

Mr Callahan: Yes, so perhaps we can circulate a copy of that. You might even circulate my reply to them. Thank you.

Mrs Marland: With respect, Mr Chairman.

The Chair: Point of order, Mrs Marland, around this item, because I haven't—

Mrs Marland: I really would prefer that this was circulated to the committee with the name whited out. I just think it's a little dicey.

Mr Callahan: The employee's name, or the name of my constituent? I think my constituent doesn't have any problem.

Mrs Marland: Definitely the employee's name. I just don't think the committee needs to have the names. Personally, I don't think the committee needs to have the names.

Mr Callahan: I don't have a problem with that. This is not a vendetta against the employee; this is a vendetta against the system. I don't care who the employee is.

Mrs Marland: I know, but in fairness to the people, I don't think it's probably such a good idea, and we don't need the names.

Mr Duignan: On the same point, I agree with Mrs Marland. I don't think we need a name. A certain allegation's been made against an employee of OHIP. The person has not had an opportunity to come here and defend herself. If you table this letter here today, it's a public document. There's nothing stopping the press coming and getting a hold of that either—nothing.

Mr Callahan: I can save a lot of time, Mr Duignan. I'm content that we white out the name of the employee. As I say, it's not a vendetta against the employee, although my constituent was exasperated by the whole process, but this person who's down there may be getting a lot of this stuff and it's driving them around the bend. I think it's the system that my constituent has the concern with, and that we see this doesn't happen again. I think that's the important thing.

1040

The Chair: That's fine. Obviously, there is agreement to do that, so Tannis will white out the names and then have this letter distributed. All agreed? I would imagine there's consensus for that.

Mr Larry O'Connor (Durham-York): I believe that earlier on we had decided that we would have the Ministry of Health come in and make a report to this committee about the status of the review and whatnot that was taking place. Are we going to then, this committee, request that they come to us? I would like to follow up with some of the concerns that Mr Callahan has raised on access, and perhaps we should follow through with inviting someone from the OMA to come before us and discuss some of this with us as well.

I don't think the Provincial Auditor doing a follow-up audit is totally necessary at this point. It may be something that we want to look at as a committee, I agree, because we all have very serious concerns about the system, but I would hope that we can get someone from the ministry to come in and do a follow-up report to us as to exactly what has been happening. At the same time, I'd like to hear from the OMA, because if our constituents, the people we are elected to represent, are going to be denied service, then we need to know that and find out what the problem is and have it remedied as quickly as possible.

I'd suggest that we include on our invitation list of who we'd like to have come and make a presentation the OMA and perhaps a representative from the College of Physicians and Surgeons, or somebody come before this committee so that we can have our concerns heard and have some response from the people who provide some primary care.

Mr Frankford: I appreciate Mr Callahan's contribution because I think I've been trying to make the point that there are a lot of problems with this card arrangement, not just overuse or fraud but non-payment or slow payment or just bureaucratic hangups.

I've had a similar case myself where a two-year-old child was taken to a walk-in clinic with what I think was a genuine enough emergency, and the father had to call up a friend to get cash out of a machine because they were refused treatment for not having a card, although the reasons for not having the card at the time were totally legitimate.

I personally believe—I think it would be quite interesting to have the ministry come here—that just a number is needed to get payment. There is nothing saying that there has to be a card and that the card has to be produced every week or on every visit.

My interpretation, and I'm prepared to be told otherwise, is that the medical service is not a bank machine arrangement where unless you have the card with you and have the right card you don't get anything out of the machine. I believe that it's a matter of having a legitimate number, and in my experience in the past, one could just get the number from somewhere else. In

my office we're always being called by other practitioners' offices saying, "Can you give us this person's number?" That's been going on, and perfectly legitimately, because we are talking about people who are bona fide residents of the province.

I think the whole system can be quite simple. I would be quite interested to have the ministry come to clarify the situation. I think this would be very helpful to patients and physicians. The situation Mr Callahan describes probably need never have happened. Probably the card with a valid number was okay, and if the magnetic stripe failed, that shouldn't matter.

I think there are a lot of things to clarify in this. I would not support Mr Murphy's motion because I don't think it deals with really looking at the whole thing, but I'm certainly happy to keep on discussing this and get input from the ministry, from the medical bodies and even from representatives of patients.

Mr Duignan: We can all recount horror stories of the OHIP system now and in the past when we had the paper card; there were 24 million pieces of that thing floating around. At one point, I had two or three of them. I remember a time when I encountered a situation myself where I actually gave the wrong number from the wrong piece of paper and had a hell of a time trying to get it sorted out. There have been problems in that system from nearly day one.

But the point is that the ministry has set up the registration program branch and it has reported back. A report has come to the deputy minister's committee, and I want to hear what they have said about the system and what recommendations are contained in that report. I'm not saying Mr Murphy's motion is useless; I think it's premature at this point because this committee is still looking into the whole issue of the health card system.

Mrs Marland: It's unfortunate that we're rehashing this to the extent we are. I agree with Mr O'Connor that it is time for us to have the ministry come back. It's funny that when we started talking about this, it was two and a half months before the end of June; I remember Mr O'Connor saying, "The ministry is supposed to have an interim report by the end of June," and I thought, "Oh, it's too bad that we have to wait until the end of June," and now here we are the end of June.

I think we can keep going around the mulberry bush. The fact is that there is $675 million worth of health card fraud in this province and there has to be a remedy. It's just that simple.

This committee wants to work together to resolve the problem, and we all have the same end goal. I think the next step is that we have the ministry come in and give us its interim report about what it found out and what it's doing. I agree with Mr O'Connor's suggestion that perhaps we have somebody from the College of Physicians and Surgeons of Ontario and the Ontario Medical Association, I would suggest, because of the difference between those two bodies. Then we can move on from there.

If Mr Duignan thinks this motion is premature, why don't we table it again until after we've had these people in, and not get hung up on it? We can have people we've suggested come in and then we can look at the motion again. It may well be that after we hear from these people, we may be willing to support the motion for good cause, but I don't think we need to get hung up on the motion today. Let's just proceed.

For that reason, I'm going to move that we invite representatives of the Ministry of Health, the College of Physicians and Surgeons and the Ontario Medical Association to appear before the committee to discuss this matter.

Mr Callahan: We'll have trouble getting the Deputy Minister of Health. He's tied up in the social contract area.

Mr Duignan: No, he's not.

Mr Callahan: Is he not? I thought he was.

The Chair: Did you make a motion, Mrs Marland?

Mrs Marland: Yes. It was a very good one.

The Chair: I'm sorry. I'm just trying to get a sense of where we're at with this. I'm going to allow Mr Duignan to clarify.

Mr Duignan: It was made as a suggestion to Mr Callahan that he actually withdraw the motion or table it till the fall, till we've had all these people in to have a look at it, and maybe we'll even want to expand the motion in the fall. But let's hear the people suggested in Mrs Marland's motion first.

Mr Callahan: I'm prepared to do that, but I want to adjourn it to a fixed date. These things, if they get adjourned sine die, sort of drift off into the sunset. I can concur with Mrs Marland's statement, but there are things in here that are very serious concerns. For instance, I was just reviewing again the question of security. I don't know whether this was corrected afterwards, but 12,000 computer users could read and change registration information on the health cards; is that right?

Mr Peters: That was right at the time. The ministry has advised us that it has corrected the situation.

1050

Mr Callahan: Yes, but without sending the auditor in, we're told they've corrected it. How have they corrected it? Are we going to get the right people in here? That's what I'm concerned about.

Mr Duignan: We'll request the deputy minister to come.

The Chair: It's your suggestion that we set an approximate date or a definite date—

Mr Callahan: Adjourn this to a fixed date so that it

will come back and we will deal with it.

The Chair: I just want to point out that it's very difficult to do that at this point, Mr Callahan, not knowing when we're actually sitting; we haven't had approval for any of our dates.

Mr Callahan: No, but we could fix it, Mr Chair, to the first date that public accounts sits when the House returns. That would be a fixed date.

Mr Duignan: That's agreeable.

Mr Callahan: All right. In the interim, though, I think what is important is that perhaps we have the auditor identify the items that he has not been told have been rectified and that are still outstanding, so that we can identify who the appropriate people are to bring in here to get those answers.

The Chair: We have two motions. I think we're all heading in the same direction, if I may just try to sum this up and get a clear sense of where we're going. Mr Callahan seems to be suggesting that the fixed date be the first date that the public accounts committee meets again when the House is in session, so that would fix it at some time in October, whenever that is, or at the very earliest, late September.

Apart from that, just to try and understand that there is a consensus, he suggested that at that point in time we call before the committee the appropriate witnesses, whether it be the OMA or Health ministry officials, or whomever else we would designate as appropriate through, I would imagine, the avenue of the subcommittee to do that, to order those kinds of people to come before the committee.

Mrs Marland: Mr Chairman, I think I can make it just a little tighter than that. Why don't I move deferral or table, whichever you wish to use, what is now identified as Mr Murphy's motion on today's agenda, just move deferral of that motion until the first meeting after we have met with the representatives of the Ministry of Health, the Ontario Medical Association and the College of Physicians and Surgeons? That sets the meeting to deal with this motion at whenever it is after we've heard the reports from those individuals, and then it might even be before the first meeting in October.

Mr Duignan: The only problem, Mr Chair, is that if we order our business for the summer, it may become impossible to do that, but I'm still agreeable, if we can; or the first meeting day after the House resumes in September.

Mrs Marland: When are they coming in? We don't know when they're coming in. The point I'm making is that I'm tabling this motion, deferring this motion, until after we've heard from these individuals. I'm saying this motion will be dealt with at the meeting immediately after we have met and heard from these individuals.

The Chair: Mr Duignan, if I just may, as the Chair, on subcommittee we tried to order our agenda to include this item in the summer, so if we preclude that from occurring in the summer, I point out that we may not have this item to be dealt with on the dates we may have set aside for summer hearings; we may not have this as an item to deal with.

Mrs Marland: And if you don't, then the first meeting in October will be meaningless because we won't have heard from these people yet.

Mr Duignan: One of the suggestions to the subcommittee was in fact that we would continue reviewing the hearings and the reports on the health cards. That was one of the suggestions, so I strongly suspect that will be one of the items on the agenda for the summer recess.

Mrs Marland: That's great, because it's sooner than later, and that would be good.

Mr Duignan: But the point I was trying to make is that normally if we set aside two days, say, to deal with this issue, the next day then would have to be assigned to another issue over the summer program. That's the only problem. I'm sure we can accommodate it, Mr Chair.

The Chair: Tannis is just suggesting that for now, the motion include "any other groups," leave it open-ended so that we can be flexible. That would allow us, then, in the summer to hear from all these various groups.

Mr Duignan: Yes. I don't want to debate this all morning.

Mrs Marland: That's a good idea.

The Chair: Is that agreed? Shall we carry forward? We need to read this motion into the record, and as soon as Tannis has that written out and straightened out, we'll move forward with that.

In the meantime, I'd like to move on to the next agenda item just to prepare everyone with regard to number 3 on the agenda, the non-profit housing report, and try to deal with this item for the remainder of the time we have.

Mr Callahan: That's going to be in closed session.

The Chair: Yes, we'll move into closed session.

Mr Callahan: Mr Chair, before we go into that, since we will be going into closed session, I would like to inquire what happened to two motions, two items that I moved—I think they passed—about a special audit under section 17 of the Audit Act in terms of the furniture that I understand was ordered by Ontario Hydro but, because the interior decorator didn't like it, is now being moved around from warehouse to warehouse lest anybody find it. The second one is the redecoration, furniture and wallpapering of 361 University Avenue, which is the Ontario Court (General Division), at a very large amount of money when it wasn't needed. I don't know where they went.

The Chair: We haven't forgotten about them.

Mr Callahan: Were they passed? I can't remember. Were they moved?

The Chair: No, they weren't moved.

Mr Callahan: I gave notice of motion; that's right.

The Chair: You gave notice of motion for those items, and the subcommittee is attempting to schedule that for debate as a motion. Obviously, it's dependent on how many dates we have available to us to deal with. These items on this agenda were set by the subcommittee to be dealt with today. The next opportunity that the subcommittee deems appropriate or possible, we'll deal with those items.

Mr Callahan: My reason for having some urgency about them is the factor that if the furniture, as I understand it, is being sort of moved around and secreted, I don't want it to suddenly disappear by the time the auditor gets to it. For that matter, in being able to determine whether or not the renovations at 361 University Avenue were necessary, and I have on a fairly good authority they were not necessary, I would like the auditor in there. I think the major concern of public accounts, particularly when we're looking at the economy we're in, the fact that we're talking about the social contract and the fact that people are going to be having to take—

Mrs Marland: I'm sorry, I don't see this on the agenda today. With respect to Mr Callahan, we have a major item on the agenda, and this item which he's asking about is not on the agenda.

Mr Callahan: That's what I'm asking, Mrs Marland. I'm asking why it's not, and I've been told by the Chairman why it's not, but I'm giving my reasons why I want it urgently put on the agenda. I think that's totally appropriate, and I don't understand your reason for interfering in terms of my speaking to it.

The Chair: Mr Duignan, you have a suggestion?

Mr Duignan: Yes. Why don't we just schedule this for the meeting of July 15, put it on the agenda for July 15? That's the next date that this committee's meeting.

Mr Callahan: I'd be content with that, and I'll stop talking about it.

Mr Duignan: Let's move on with the rest of the agenda.

The Chair: Agreed. I think Tannis has this motion ready to be read into the record.

Clerk of the Committee: Mrs Marland moves that consideration of Mr Murphy's motion be deferred until the first meeting after representatives of the Ministry of Health, the Ontario Medical Association and the College of Physicians and Surgeons and any other groups agreed to by the subcommittee have appeared before this committee.

Mrs Marland: Did we have to say "by the subcommittee" or just "by the committee"?

Clerk of the Committee: I can change that to "by the committee."

Mrs Marland: I think so.

The Chair: Is that agreed to? Okay. Mrs Marland, do you move this motion?

Mrs Marland: I will move that motion as read by the clerk.

Mr Duignan: I'll second the motion.

The Chair: All in favour? Carried.

Now perhaps we can move to closed session and deal with the third item on our agenda for today, the non-profit housing report.

The committee continued in closed session at 1100.

CONTENTS

Thursday 24 June 1993

Subcommittee report P-81
Annual report, Provincial Auditor, 1992: Ministry of Health P-82

STANDING COMMITTEE ON PUBLIC ACCOUNTS

*__Chair / Président:__ Cordiano, Joseph (Lawrence L)
__Vice-Chair / Vice-Présidente:__ Poole, Dianne (Eglinton L)
*Callahan, Robert V. (Brampton South/-Sud L)
*Duignan, Noel (Halton North/-Nord ND)
Farnan, Mike (Cambridge ND)
*Frankford, Robert (Scarborough East/-Est ND)
Hayes, Pat (Essex-Kent ND)
*Marland, Margaret (Mississauga South/-Sud PC)
Murphy, Tim (St George-St David L)
*O'Connor, Larry (Durham-York ND)
Perruzza, Anthony (Downsview ND)
Tilson, David (Dufferin-Peel PC)

**In attendance / présents*

Substitutions present/ Membres remplaçants présents:
Eddy, Ron (Brant-Haldimand L) for Ms Poole
Harrington, Margaret H. (Niagara Falls ND) for Mr Farnan
Waters, Daniel (Muskoka-Georgian Bay/Muskoka-Baie-Georgienne ND) for Mr Perruzza

Also taking part / Autres participants et participantes:
Peall, Gary R., director, ministry and agency audit branch, Office of Provincial Auditor
Peters, Erik, Provincial Auditor

Clerk / Greffiére: Manikel, Tannis

Staff / Personnel: McLellan, Ray, research officer, Legislative Research Service

CA2 on1
X-21
-P12

P-8

ISSN 1180-4327

Legislative Assembly of Ontario

Third Session, 35th Parliament

Assemblée législative de l'Ontario

Troisième session, 35e législature

Official Report of Debates (Hansard)

Thursday 15 July 1993

Journal des débats (Hansard)

Jeudi 15 juillet 1993

Standing committee on public accounts

Subcommittee report

Workers' Compensation Board

Comité permanent des comptes publics

Rapport de sous-comité

Commission des accidents du travail

Legislative Assembly of Ontario

Chair: Joseph Cordiano
Clerk: Tannis Manikel

Président : Joseph Cordiano
Greffière : Tannis Manikel

Published by the Legislative Assembly of Ontario
Director, Hansard Reporting Service: Don Cameron

Publié par l'Assemblée législative de l'Ontario
Directeur, Journal des débats : Don Cameron

Hansard on your computer

Hansard and other documents of the Legislative Assembly can be on your personal computer within hours after each sitting. Sent as part of the television signal on the Ontario parliamentary channel, they are received by a special decoder and converted into data that your PC can store. Using any DOS-based word processing program, you can retrieve the documents and search, print or save them. By using specific fonts and point sizes, you can replicate the formally printed version. For a brochure describing the service, call 416-325-3942.

Index inquiries

Reference to a cumulative index of previous issues may be obtained by calling the Hansard Reporting Service indexing staff at 416-325-7410 or 325-7411.

Subscriptions

Subscription information may be obtained from: Sessional Subscription Service, Publications Ontario, Ministry of Government Services, 50 Grosvenor Street, Toronto, Ontario, M7A 1N8. Phone 416-326-5310, 326-5311 or toll-free 1-800-668-9938.

Le Journal des débats sur votre ordinateur

Le Journal des débats et d'autres documents de l'Assemblée législative pourront paraître sur l'écran de votre ordinateur personnel en quelques heures seulement après la séance. Ces documents, télédiffusés par la Chaîne parlementaire de l'Ontario, sont captés par un décodeur particulier et convertis en données que votre ordinateur pourra stocker. En vous servant de n'importe quel logiciel de traitement de texte basé sur le système d'exploitation à disque (DOS), vous pourrez récupérer les documents et y faire une recherche de mots, les imprimer ou les sauvegarder. L'utilisation de fontes et points de caractères convenables vous permettra reproduire la version imprimée officielle. Pour obtenir une brochure décrivant le service, téléphoner au 416-325-3942.

Renseignements sur l'index

Il existe un index cumulatif des numéros précédents. Les renseignements qu'il contient sont à votre disposition par téléphone auprès des employés de l'index du Journal des débats au 416-325-7410 ou 325-7411.

Abonnements

Pour les abonnements, veuillez prendre contact avec le Service d'abonnement parlementaire, Publications Ontario, ministère des Services gouvernementaux, 50 rue Grosvenor, Toronto (Ontario) M7A 1N8. Par téléphone : 416-326-5310, 326-5311 ou, sans frais : 1-800-668-9938.

Hansard Reporting Service, 481 Legislative Building, Toronto, Ontario, M7A 1A2. Phone 416-325-7400. Fax 416-325-7430

STANDING COMMITTEE ON PUBLIC ACCOUNTS

Thursday 15 July 1993

The committee met at 1010 in room 151.

The Vice-Chair (Ms Dianne Poole): Good morning. I call this session of the public accounts committee to order. We have a number of things on our agenda today, starting with a report of the subcommittee.

Mr David Tilson (Dufferin-Peel): Madam Chair, on a point of order: I know there is a heavy agenda, but I wanted to table a resolution which I delivered to the clerk. I wonder if you would permit me to make the resolution for the purpose of debating it at a later date.

The Vice-Chair: Normally, you give notice for the next meeting, but in view of the fact that we're not certain the House may be sitting next Thursday—

Mr Tilson: That's exactly why I'd like to follow this procedure.

The Vice-Chair: If we have the concurrence of the rest of the committee, I would suggest that Mr Tilson be given the opportunity to read his motion into the record, and of course there wouldn't be debate at this time. Agreed? Agreed.

Mr Tilson: Thank you, Madam Chair. It's a resolution, and I've given copies, which I think the clerk is distributing to the members of the committee.

I move that the Provincial Auditor conduct an audit of the Toronto Area Transit Operating Authority, GO Transit, to determine whether the agency's recent decisions to terminate and/or reduce services on certain of its routes while maintaining service on routes also served by municipal transit authorities and to areas outside the greater Toronto region resulted in the best use of the funds provided by the province to the agency and were consistent with the mandate of the agency to develop and operate an interregional transit system for people whose travel takes them through more than one regional municipality.

Madam Chair, I would hope that some time in the near future we would be able to debate this resolution.

The Vice-Chair: Certainly that will be put on the list for the steering committee to take a look at.

SUBCOMMITTEE REPORT

The Vice-Chair: Now we have three other matters that are on the agenda today. The first is I think basically a procedural one, to decide how to proceed—oh, I'm sorry. I didn't actually have a motion for adoption of the subcommittee report. This is before members. It was just distributed this morning. I don't know whether, in view of the fact it was not circulated prior to today's meeting, you would like it officially read into the record or have a moment to review it.

The steering committee report basically sets the agenda for today, which is to decide how to proceed on the Provincial Auditor's report on the WCB and also Mr Callahan's motion. It also sets out a possible schedule for a summer recess, including looking at the Ministry of Health, the health cards; in week two, looking at the annual report of the Provincial Auditor relating to the Ministry of Housing and to finish off that particular report; and then in week three, if we are able to get a third week assigned, to look at accountability issues and accounting principle issues which the auditor would bring us up to date with, and also there are several issues on from the Provincial Auditor's report: family benefits assistance and the inspection audit of the Toronto Hospital.

Mr Callahan, then Mr Tilson.

Mr Robert V. Callahan (Brampton South): I may be wrong, but I thought we dealt with section 2.8, the inspection audit of the Toronto Hospital. No?

The Vice-Chair: Could our researcher comment on that?

Mr Ray McLellan: Following the hearings and the meeting with the union, the committee requested that Mr Decter submit transcripts of his meetings. I'm not sure whether you were at that meeting, Mr Callahan, but I've gone through and prepared a summary and overview of those comments so that the committee, when it meets, can discuss and see whether or not they're satisfied with those transcripts and the summary.

Mr Callahan: This is part two then?

Mr McLellan: Yes.

Mr Callahan: I can hardly wait.

Mr Tilson: Madam Chair, I guess the question I'm asking—and I'm trying not to ask a silly question, but the question is obviously: Here we are continuing on in the House, and we may or may not have a summer recess. I guess we go from moment to moment, do we? In other words, just following up on a comment you made earlier, in the event that the House is going to continue sitting next week, and it seems like it will, I assume we will continue on with this agenda, or will we leave this agenda for the specific weeks which may or may not arise?

The Vice-Chair: You raise a very valid point, Mr Tilson. As usual, I think the committee will try to be flexible since we don't know when we actually will rise. There was a suggestion, for instance, that we might discuss next week some issues that arose out of the Canadian Council of Public Accounts Committees conference from last week, some of the issues that were

raised at that particular point. There is a possibility we might begin dealing with the Workers' Compensation Board report.

What I would propose is that we adopt the report of the subcommittee subject to changes as events change. It may well be that later on in our particular agenda today we will decide to ask the steering committee for an amendment to it, for instance, if we are going to sit next week.

Mr Tilson: Madam Chair, I believe that even if the House rises today, it will be impossible to complete the work of committees in this place. It will be impossible.

Having said that, whether it's next week, the week after or the end of the month, who knows?—nor do the government members of the committee, I'm sure, know—I believe the sooner we start on these items, the better. I don't know how other members of the committee feel. If it ends next week, that's fine, but I believe we should start on this agenda, particularly the matters—for example: the building. That topic, I think, should be dealt with as soon as possible.

The Vice-Chair: We should discuss this further.

Mr Noel Duignan (Halton North): None of us knows when the House is going to recess for the summer. I kind of agree with Mr Tilson in a way that in fact we should maybe begin to look at what we had planned for the summer and try to begin to schedule some of that work into the coming weeks; otherwise it simply may not get done.

The Vice-Chair: This actually goes into the next agenda item as well, which is how to proceed with the Provincial Auditor's report on the Workers' Compensation Board. In addition to the agenda items set out in the steering committee report, we have at least one other matter—two, if we count Mr Tilson's motion.

Obviously, anything we don't have an opportunity to do during the summer recess we can continue in the fall. I think there has been some suggestion, for instance, if we're looking at the Provincial Auditor's report for the Ministry of Housing that we would actually go out to some non-profit project. That's the type of thing I think is a priority to have on for the summer session when it is easier for members to get out and do those kinds of things.

The steering committee does have a mandate to meet in emergency situations and to decide on a course of action, so all I think we can do today is decide on a tentative course. I think it would probably be wise to suggest an agenda for next week since it is not impossible we will not be sitting, but I think it is likely we will be sitting as of the current situation.

I'm in your hands as to how you want to deal with this, whether you want to actually proceed with the proviso that the steering committee does have a mandate to make adjustments or whether you would like to discuss at this time where we go next week.

Mr Callahan: We just lost our hard profile on this debate. Bob tried to hang around long enough, but I guess he got so bored that he left.

The Vice-Chair: Mr Callahan's allusion was to the Canadian Council of Public Accounts Committees where we had a session on how to raise the profile of public accounts committees. One of our media speakers, Bob Johnstone, from CBC radio, spoke to us at that time and told us how to raise our accounts. We just noticed that he was in the audience this morning and suddenly left so I guess we weren't interesting enough to keep his attention.

Mr Callahan: He was obviously here for the third item on our agenda, which we should get to very quickly.

Mr Duignan: I notice under summer recess in week one, we are going to deal with section 3.10 of the annual report of the Provincial Auditor dealing with the health cards. Even this thing has been hanging around for quite a while. I was wondering, maybe we should begin with that item and get this thing cleared up and out of the way.

1020

Mrs Margaret Marland (Mississauga South): Is that item 2 you're speaking of?

The Vice-Chair: Item 1.

Mr Duignan: Item 1 of the summer recess.

The Vice-Chair: Week 1? The other thing to consider is whether we need a full week to clean up that particular item, because, don't forget, we're meeting from 10 to 12 and 2 to 5.

Mr Tim Murphy (St George-St David): Before we decide on the order of things, I agree that we should begin to schedule matters. Who knows when we're going to rise? I think we should just proceed and start to do some things now. Frankly, I'd like to see what the special audit on the Workers' Compensation Board is and what it says before I decide on the order of those events. It may very well be that it's a matter of more urgent importance and something that requires it to be pushed to the top of the agenda. In other words, I wouldn't want to decide on the order of matters that are going to be dealt with before we deal with number 2.

The Vice-Chair: If I could make a suggestion, is it agreeable to committee members if we proceed to item 2, which is the Workers' Compensation Board, and then revert back to the subcommittee report? Because how we deal with the Workers' Compensation Board and the timing of it may change the rest of the report.

Mr Murphy: It certainly seems agreeable.

Mr Duignan: I thought maybe we'd go through items 2, 3 and 4 and then go back to the subcommittee report.

Mr Murphy: That seems reasonable too.

The Vice-Chair: We seem to have agreement on that.

WORKERS' COMPENSATION BOARD

The Vice-Chair: I'd like the auditor to comment, then, on his special report on the Workers' Compensation Board. We did have a letter, which I believe members have a copy of, dated July 7, from the auditor, where he has advised that they've completed the special audit and that their practice has been to submit special assignment reports to the committee when requested by the committee. The auditor would now like our instructions, so perhaps a few comments, to begin with, by the auditor.

Mr Erik Peters: My comments relate to the standard procedures on these special reports. I would prefer not to comment on the report at all unless you as the members of the committee have seen it. I would expect that in the normal course of events we would have a subcommittee or in camera session briefing you, after you have had a chance to read the report, on the highlights. Then you might wish to decide as to how to proceed with the details of that report.

Mrs Marland: Where is it?

Mr Peters: It's available at the call of the committee.

The Vice-Chair: He completed it last week.

Mr Murphy: I'd like to at least propose that the report be tabled with us, in essence, immediately, so that we could have a chance to review it and have it available to us and then prepare subsequently to deal with it as soon as possible in the full committee.

The Vice-Chair: Mr Murphy has moved that the auditor table the report immediately or as soon as possible with the committee so that it may be distributed to members of the committee and perhaps a briefing session could be arranged.

With reference to the auditor's comment about an in camera meeting to review it, would it be the committee's wish that we would do that next Thursday or would you see fitting this into our summer recess?

Mr Duignan: I would like to see a briefing session for the committee next Thursday in camera.

Mrs Marland: When we dealt with this subject before and we had the vice-chair, Mr King, here and so forth, answering questions, was that in camera? I don't think so.

The Vice-Chair: I wasn't on the committee at that particular point in time, so perhaps Mr Callahan would recall.

Interjection.

Mr McLellan: It was not in camera.

The Vice-Chair: Okay, it was public then when they attended.

Mrs Marland: I was here. There were two days that I recall that I was here. I wasn't a member of the committee at that point, but I was subbed in, and I think that it would be absurd for us to revert now to going behind closed doors on a subject that we've already dealt with in public. I happen to think that this is a subject, quite frankly, where the public has a right to know what the auditor's information is.

We're talking about a $200-million office tower being built by the Workers' Compensation Board at a time when there's 23 million square feet of available rental space in this city. We're also talking about a decision of the board at that time to get into real estate, although—I've forgotten what section it is; I think it's 16 or 17—

Mr Peters: It's 64.

Mrs Marland: —section 64 of the Workers' Compensation Act prohibits the Workers' Compensation Board from being in real estate without an order in council. There was not an order in council to permit the WCB to go ahead with this project.

I think all of the facts that came out when Mr King was here, including the fact that the reason they went ahead without an order in council—in other words, without the cabinet approving this building—was because they had had, to quote Mr King, several legal opinions. The interpretation of these legal opinions was that they didn't have to get an order in council to proceed.

When we asked if Mr King would produce those legal opinions, one day he said, yes, he would—he said that he had at least three—and he came in the next morning with one legal opinion. When I asked him where the other two were, he said he couldn't find them. I suggested that perhaps the other two did not agree with the one that said they could go ahead and he produced the one that said they could go ahead.

All of these questions were raised and a great deal of concern is out there today in the public community about this whole question of the Workers' Compensation Board building a $200-million tower on land that it will never own; it's owned by the CBC. The reason that this committee, which is accountable to the public about how its dollars are spent, asked for this special report by the auditor was because of the questions that were outstanding. I would be very concerned if we dealt with it now behind closed doors when it has been in the public purview.

The Vice-Chair: I think the auditor would like to clarify what he meant when he was talking about "in camera."

Mrs Marland: Fine.

Mr Peters: If I may, it is just standard practice on any report, even our annual report tabled in the House, that we brief the committee first in camera and the

committee then makes its decision as to whom to call as witnesses and then makes the decision as to how to construct the public meeting on that report.

I was referring merely to the pre-briefing to the committee. I was not implying at all that this should be dealt with behind closed doors. It was merely to give the committee an opportunity to discuss who they would like to call, if to call, when to call and all of these matters.

The Vice-Chair: It would be more the technical aspects.

Mr Peters: The technical aspects, and to give the committee an opportunity, after having read the report, to digest and feel more comfortable in how to proceed.

Mrs Marland: As a newly appointed member to this committee, if that is the procedure, I will accept that.

Mr Murphy: If I may, two things. One is that I have a problem with an in camera session related to the report. What I'd like to do is ask a clarifying question and then follow up on that with a comment. Is it the case that it is the practice that the report not be released in a public manner until such time as that in camera briefing has occurred?

Mr Peters: No, the report is released to the members of the committee and that briefing takes place after. It is a matter of public record then. It is just to give an opportunity. It is available today, now, in this room.

Mr Murphy: Okay, good. What I would suggest then and the motion I made is to table that today, to provide that opportunity. I think frankly the session that deals with who and how to call could be done as a steering committee, a subcommittee agenda item, it seems to me. But frankly, I'm not sure I care that much. My concern more is that we don't use up the time in the full committee—

Mr Duignan: You want to make a partisan political issue of it, Mr Murphy.

1030

Mr Murphy: Well, (a) I have the floor and (b) that's not the case. My concern is that we not use up the time this committee has to deal with all the many issues that we have, including this one. I think we can have a subcommittee meeting that will meet outside the regular meeting time of this in order to do that. That subcommittee has to report back to this whole committee, as the first agenda item says, so it's hardly a partisan issue. That would be my proposal, that we proceed in that manner and let's see the report.

Mr Tilson: Madam Chair, just a comment on the in camera proceedings. It is interesting. I think you and I and Mr Callahan were present at the public accounts committee during one of the sessions which had to do with the profile of public accounts committees, and one of the topics that was raised on which there was some debate in the committee, just for the benefit of members of the committee, was the subject of in camera meetings, although I don't think it was mentioned in the report by the research officer. To give him credit, I haven't read it thoroughly, but I don't think that issue was raised. But there was some criticism of public accounts committees across this country, and particularly the province of Ontario, the number of private sessions of public accounts committees dealing with this topic.

I understand that the practice in the past has been that the Provincial Auditor briefs the committee and may or may not say things that the public should or should not hear, but then you ask what the public should hear. It's an interesting thought, just to follow up on what Mr Murphy was talking about. I think all of us in this room have a general aversion towards in camera meetings. I mean, what have we got to hide? What do we have to hide?

Are you saying, Mr Peters, that this document will be a public document today, will be available for the public today?

Mr Peters: It will be available to the committee today.

Mr Tilson: It will be available to the committee but not to the public.

Mr Peters: We do not publish. You have requested a report. We report to you. Distribution and afterwards is totally in your hands.

Mr Tilson: So then it's up to the committee.

Mr Peters: It's in your hands, yes.

Mr Tilson: I'm not saying yea or nay on this issue. It's just that it's an issue that has been raised at the conference and was discussed and there was expressed a concern across the country, a general aversion. I mean, on the one hand we're talking about trying to make this place more accessible, more accountable, and the very first meeting we have after a public accounts conference we're recommending a private session meeting.

The Vice-Chair: In the legislative research service report prepared by Ray McLellan, there is a statement on that about the press panel's presentation. The press questioned the need for in camera sessions of the public accounts committee.

Mr Callahan: On a point of order, Madam Chair: We've had a great discussion about whether this should be in camera or not in camera. Nobody has seen the report. I mean, it may say nothing. That's why I find the whole discussion around this to be almost academic, because until I see the report, how do I know whether it's—I mean, it may be a one-liner. It may simply say they built the building or are going to build a building and they shouldn't have built the building because there was leasable space around the city.

If that's it, you know, what's—but if it says some-

thing that should be in camera—that's why I think this whole discussion—we've wasted, with all due respect, half an hour discussing something, a report, that we've not seen yet and we don't even know whether we should deal with it in camera, out of camera, half in camera, half out of camera. So perhaps, Madam Chairman, with respect, we could move on, and when we see the report, then we could decide that issue.

The Vice-Chair: Mr Callahan, I would like to resolve it a little bit more than what we have. I agree with you, we don't want to waste the entire morning trying to decide on a procedural matter. But so far, do I take it we have consensus that we would deal with the report in some way next Thursday?

Mr Duignan: I'd like to move a motion that the report be tabled today and then the committee—

The Vice-Chair: I think Mr Murphy already moved that motion, that the report be tabled immediately, and I think you said in your motion that the steering committee would meet—

Mr Murphy: It ended up being a friendly amendment to my own motion, I guess, but yes.

The Vice-Chair: Do you have any friendly amendments to that particular motion?

Mr Duignan: I was simply going to say, to save some time and get on with the other issues in front of the committee, that this report be tabled today and in fact that the subcommittee then deal with the issue of where it wants to go with this report. It may not agree and it may have to come back to the full committee to be dealt with, but in the interest of saving time and dealing with the other issues on this agenda, let's do something like that.

The Vice-Chair: Just for my own clarification, would that friendly amendment to the motion also include scheduling the WCB report for next Thursday, whether it be in camera or out of camera?

Mr Duignan: No. That would be up to the subcommittee to decide what will happen. That's the essence of the motion, that this report is tabled today and then the subcommittee decides what's going to happen in relation to that report and what will follow out of that.

The Vice-Chair: Mrs Marland? If we could just keep comments as brief as possible, keeping in mind we have two other items.

Mrs Marland: I'll try to keep my comments as brief as possible, but I think we're dealing with a very serious issue here. We're dealing with the issue, frankly, of élitism: élitism on the part of public accounts committees in general and obviously particularly our own. We're also dealing somewhat with what can evolve as the élitism of the subcommittee, because I can assure you that if the subcommittee decides that this report has to be kept under wraps, in camera, I will have a great deal of objection to that.

The point is that if you deal with matters that have to be dealt with in camera and you deal with it the way municipalities deal with it, it's very straightforward. If it isn't a matter of personnel or land acquisition, what is there that the public isn't entitled to know? I think that's the bottom line question here.

Mr Callahan: Could I have a point of order here, Madam Chair? I understand from the auditor that the report is here in this room. Let's have it. Let's not debate what, you know—

Mrs Marland: I don't think that's a point of order, and I have the floor.

Mr Callahan: It certainly is a point of order because we're now debating whether we should do it in camera or out of camera, or half in camera and half out of camera. What's the point of doing that if we don't know what's in it? Let's get the report. I move we have the report distributed to the committee right now.

Interjection: Well, there's still a motion on the floor.

Mrs Marland: I think I still have the floor.

Mr Callahan: That's fine.

Mr Duignan: On a point of clarification, I think we're still on the motion before.

The Vice-Chair: Technically, I think it's inappropriate to make a motion when you're on a point of order, and Mrs Marland did have the floor. But, Mr Callahan, I think actually—my speaking list has gone amok. Mrs Marland was at the bottom of the list. I think we keep introducing new topics.

Mr Callahan: I would be most gracious to allow her to continue to speak if she'll allow the auditor's report to be distributed to the committee right now so we can quit wasting time. If there's nothing in it, why are we spending 45 minutes of valuable time of two hours that we get each Thursday to debate something that may be like, "How many angels can you put on the head of a pin?" Let's have the report.

Mrs Marland, because I like you so much—I'd be prepared to allow her to go ahead of me on the list if she consents to the report being released to the committee post-haste.

The Vice-Chair: I'm sure that you're both very generous, and would like to reciprocate and give each other opportunities to both speak and table reports. First of all, are there sufficient copies for the members?

Mr Callahan: I'll even share.

Mr Peters: Yes.

The Vice-Chair: Do we have agreement of the committee at this very moment for the auditor to table the report and for copies to be distributed? Agreed. We would ask our clerk to take care of that particular item.

We do have two motions which are extremely similar on the table. One is by Mr Murphy, and the clerk can't

read it back because we've just sent him off to get copies, but I believe the substance of Mr Murphy's motion was that the report be tabled immediately, which has been done, and secondly, that the subcommittee or steering committee would meet.

1040

Mr Murphy: If I could just have a point of clarification, we had deferred discussion of the first point in order to be able to talk to some degree about points 2, 3 and 4 in terms of scheduling all of the business of the committee, and to a degree, there is a logic to waiting at least—because what the debate is over is really the scheduling of the consideration of this report. Perhaps we should put off that scheduling issue until we've considered what else we're going to have before us and we can put that back into the debate about the first agenda item as well.

The Vice-Chair: I'm just going to make an attempt as Chair to try to resolve this so we can actually get on to the substance of several of the items on the agenda today. The report is now before us. Do we have consensus that the steering committee would meet and make a decision as to where we're going with this report, but that next Thursday be reserved for dealing with the report?

Mr Tilson: We can decide right now. There's nothing in here.

Mrs Marland: The conclusion is what I expected it would be. I guess I'm a little biased because the conclusion supports the argument I was making in open session. So I would not be happy for us not to deal with this report in open session, and I feel that if the government members decide that this can't be dealt with in open session, then they're going to have to make some very strong arguments to justify keeping this report from the public.

The thing is, there isn't anything here that has not been discussed in open session. Therefore, our request for this report—as a result of the open session, it obviously makes sense for this report to come back and be dealt with in open session, and I'm not willing, nor do I think it's necessary, for the subcommittee to make that kind of decision, because it's only going to have to come back to the full committee anyway.

I would like to make a motion that we deal with the report we've just received now as an extra order of business this morning, because I think it's important for the public to be aware of what this report contains.

The Vice-Chair: We already have a motion on the floor that we have not voted on. Are you proposing yours as an amendment to the current motion? Otherwise, I think we will have to take a vote on Mr Murphy's motion first, before we deal with yours.

Mr Murphy: I'll withdraw my motion.

Mr Duignan: I'd like to move a motion that this report be dealt with in camera next Thursday.

The Vice-Chair: Mr Murphy has withdrawn his motion; Mr Duignan did not withdraw his amendment.

Mrs Marland: But he's just made another motion.

Mr Callahan: It's contrary to the one that—

Mrs Marland: I'm sorry, my motion was first. Mr Duignan has just placed his.

The Vice-Chair: Mrs Marland, would you just give me a moment to confer with the clerk?

The amendment was to a motion that was withdrawn, the clerk advised me. Therefore, the amendment falls. Mrs Marland had made a motion before Mr Murphy withdrew his. Mrs Marland, would you please repeat your motion?

Mrs Marland: I will. In light of the auditor's report that has just been tabled with this committee—the report is dated June 30, 1993, regarding the new headquarters of the Workers' Compensation Board—in light of the conclusion that I read in this report, I am moving that the report be dealt with this morning in open session.

In speaking to my motion, I want to be very clear that there isn't anything in this report that has not already been discussed in open session as a result of my questions to Mr King, the vice-chair of the board, when we dealt with this matter in March or whenever.

Mr Peters: January.

Mr Callahan: There was snow on the ground, I remember that.

Mrs Marland: When I asked the questions to Mr King in January—this report is as a result of some of those points that I raised in my questions. Now when I read the conclusion of the auditor, as I said a minute ago, it supports the arguments that I was raising, and for us not to be able to deal with the report in open session when all of this has already been discussed publicly—and quite frankly, I believe very strongly in the public's right to know. It would be indefensible for this government to say that this report should not be public knowledge.

Mr Callahan: I have an amendment.

The Vice-Chair: I have Mr Callahan, Ms Murdock, Mr Murphy.

Mr Callahan: I figured I was somewhere in there, along the list. I'd like to amend it. I agree with the member for Mississauga South that this document, on a quick reading of it, says nothing more than what was said to us in open sittings, and some of you may not have been members at that time.

My amendment, however, would be that, although I agree it should be in open session, we do have an agenda. The subcommittee has put that agenda forward, and I see no reason to move this item to this sitting. But I would amend it by saying "open session at the next sitting."

Again, then having spoken to it, the reason I would support it being open is that there is absolutely nothing in this report that the public is not aware of already. All that would be happening, I suppose by discussing it, would be bringing back to their attention the fact that the workmen's compensation board, without any authority, in fact contrary to the authority of the minister, of the rules that said it had to get Management Board approval or whatever it was, executive council approval, went ahead anyway and decided to build this palace.

I think that was the genesis of the request being made for a special audit, to determine whether or not they're just flying out there on their own, they have no responsibility or accountability to anybody. I think anybody reading this report or having heard those submissions that were made by witnesses at this committee could only come to one determination, that there in fact is no accountability between the WCB and the people who are the elected authorities in this province. They just go and do whatever they want.

As I recollect, it was outrageous. They seemed to think—that's the impression I got—we had no right to even delve into it; the fact that we told them there was all this leasable space in the city and they said: "Oh well, we can't use that. That's not good enough for us. We're going to build this palace."

I think we should maybe let the cat out of the bag. The conclusion of the report is:

"We believe that the concerns raised regarding adherence to statutory authority and the Management Board of Cabinet directives demonstrate a need for a more effective accountability regime between the WCB, the minister and the Legislature."

That's it in spades.

Mr Tilson: This one too, page 11.

Mr Callahan: Well, that's the big one, I think. What it says is the WCB can do anything it damn well pleases and nobody seems to be in control of what's going on. I think that's something that probably is not a new revelation. It's been one that's been struggled with by every party in this Legislature. I think it's time we told them or told somebody, "You better get a handle on it." It's got the largest unfunded liability in the province, I think.

To allow this to continue is similar to allowing—I mean, I can understand why Hydro spent $1 million and whatever on finding out if people loved their refrigerators. If you don't have any control over these people, you create a bad example for the rest of these megalithic—is that a good word, "megalithic"?

Mr Murphy: It's a big word anyway.

Mr Callahan: That's all I've got to say. I didn't want to say anything that was not positive.

The Vice-Chair: Mr Callahan has moved an amendment to Mrs Marland's motion that instead of being dealt with immediately today in this session that we continue with today's agenda and that it be dealt with at the next session in full public hearing.

Mr Murphy: On a point of clarification, if I can, just to understand that the normal process is for the in camera briefing to deal with both (a) the auditor providing us with information as to the background to his conclusions and (b) the committee dealing with the scheduling and deciding who the witnesses should be. I don't understand why we can't do that today.

1050

The Vice-Chair: That's an interesting point of clarification. Ms Murdock.

Ms Sharon Murdock (Sudbury): When I raised my hand to be recognized, I was speaking to Mrs Marland's comments. We've had a number of other suggestions since then, but I will speak to what Mr Murphy just said.

I think if the normal procedure is for the auditor to make the presentation in camera, and we'd be able to ask the auditor—I presume this would be what would happen—exactly how he arrived at those conclusions etc, I see every good reason to do that in camera, then ask the questions to other people based on what the auditor has discovered in this. I would like to have the opportunity to read this sentence by sentence. I don't want to just skim through it and read the conclusion; I want to see how we got there.

I think then we can decide in that session how we should proceed, whom we want to call or if indeed we want to call anyone. I think we should follow the normal procedure, and it has nothing to do with what I'm hearing suggested, that we as the government side are trying to hide something here. I agree that it should be as open as possible, but I think the auditor should be able to explain. If we feel the need that he should re-explain it again publicly, then we can decide to do that as well.

Just before I conclude, I would like to remind Mr Callahan that women make up a large part of this workforce and it is no longer the workmen's compensation board, it is the Workers' Compensation Board.

Mr Callahan: Oh, my God.

The Vice-Chair: I guess we're going to have to take you out and shoot you, Mr Callahan. There's no other choice.

Mr Callahan: I'm sorry. I really apologize.

The Vice-Chair: And so you should.

Mr Murphy: I'm going to speak in favour of Mrs Marland's motion. I think it's entirely appropriate. The report is here. It seems to me that the conclusions of the report speak to the kinds of things that have been raised by the opposition in the House repeatedly, including the member for Mississauga West, I believe, Steve Mahoney, conclusions that the WCB didn't follow

section 64 of the Workers' Compensation Act in spirit, that it didn't comply with Management Board directives, that it may have contravened regulations under the Pension Benefits Act. These are clearly things that (a) have been raised and (b) have been issues that have been discussed before in committee and in public.

It seems to me no reason to conduct this in camera, and I'm in full support of this motion. We should proceed. There's nothing to hide. We should have nothing to hide. We are the public's representatives after all, and I think we should proceed.

Mr Duignan: I call the question.

Mr Callahan: You've got to call it on the amendment first.

The Vice-Chair: Thank you, Mr Callahan. That was actually very helpful. I will now call the question on the amendment.

Mr Callahan: A recorded vote.

Mr Tilson: I'm speaking to the amendment; I'm not in favour of the amendment, which is to put this off until next week, because the agenda simply has the whole topic of the Workers' Compensation Board today.

The Vice-Chair: Mr Tilson, the question has been called, so I'm afraid I'll have to call it. Would the clerk read it out for the members' benefit.

Clerk Pro Tem (Mr Doug Arnott): Mr Callahan moves that the motion by Mrs Marland be amended by striking out the words "be dealt with this morning" and inserting in lieu thereof "be dealt with at the next sitting of the committee."

Ayes

Callahan.

Nays

Duignan, Frankford, Johnson (Prince Edward-Lennox-South Hastings), Marland, Martin, Murdock (Sudbury), Murphy, O'Connor, Tilson.

Mr Callahan: I think it was defeated.

The Vice-Chair: Yes, the amendment is defeated. We will now vote on Mrs Marland's motion.

Mrs Marland: I'd like to ask Mr Arnott, when the question is called, is it called only on the amendment or is it called on the main motion and the amendment?

Clerk Pro Tem: The vote would be first on the amendment to the motion.

The Vice-Chair: She's saying, is the question automatically put on the motion if the question is put on the amendment?

Mr Callahan: Call the question.

The Vice-Chair: We have a difficult group with us today. Is there further debate on the motion where things that have not been said that are vital to the motion itself need to be repeated—I shouldn't say repeated; I just defeated my own purpose—that have not been said and that need to be put on the record at this time?

Mrs Marland: The main motion is still mine, I understand.

The Vice-Chair: That's right.

Mrs Marland: It was said by one of the government members that she would like to be able to read this report line by line. I guess the unfortunate thing is that when members of this committee are subbed in who were not on the committee when the matter was originally dealt with that, for them this is totally new material.

For those of us who were here when this matter was dealt with before, the material is not new. A lot of it is referenced to questions that were raised by myself to the Workers' Compensation Board vice-chair, Mr King, when he was here.

Since I'm very sensitive to the fact that my motion is going to be defeated by the government and we now have a report that has been tabled in public, I would like to know, since it's been tabled in public, how we can legally then say we're going to deal with it behind closed doors, in camera. When I get the answer to that question, I have another comment.

Mr Tilson: It's a public document now.

Mrs Marland: Perhaps somebody can give me the legal answer is to that, because I can tell you that when I read here what the auditor's conclusion is, which is a very serious conclusion in my opinion, I think that to delay this report for a week, in any way at all, would be just a shamefaced denial of the public's right to information that is duly in their domain. The public is entitled to know what this report says. Can you tell me what the answer is when the report has already been tabled in public?

The Vice-Chair: I think you asked for a legal opinion, and I believe, Ray, you are a solicitor.

Mr McLellan: No, I'm not.

The Vice-Chair: Let's let the auditor speak to this.

Mr Peters: Just very quickly, in terms of the annual report, the annual report is also published. My comments to the in camera briefing were exactly along the lines of Ms Murdock's point of merely that the committee can question me in camera to have additional background information or anything that it would like to know.

The second part of that briefing session is really, if the committee wishes to discuss the report with representatives, for example, of the Workers' Compensation Board, would you like to invite Mr King back before you to make these kinds of decisions or would you like to have somebody else before you?

It is only to make those kinds of decisions. That is what the in camera briefing is about. There's no deny-

ing this is merely to give the committee an opportunity to make those sorts of decisions.

Mrs Marland: All right. Then you've cleared it up for me that this is now a public document, and if I want to ask you further questions, you're saying you would prefer to answer those questions in an in camera session.

Mr Peters: No. That's not my preference. I would be willing to answer those in public or in private. It is the committee's own wish as to how it wishes to proceed. I just outlined the options that had been followed in the past.

1100

Mrs Marland: The fact that the report is public and there is a conclusion that the Workers' Compensation Board did not comply with the Management Board of Cabinet directive dealing with the establishment of subsidiary companies and joint ventures etc, if I want more information on that, I'm going to have to be bound by the wishes of the committee.

But I want to say that I think that in light of the conclusions that are in this report this morning, it's absolutely imperative that we have Mr Di Santo, the chairman of the Workers' Compensation Board, invited to appear before this committee. The only reason Mr King was here in January, I understand, was that Mr Di Santo was not available, and I think this report is so critical, based on where we are today with, I think, this building coming out of the ground. Does anybody know? Are there more than the foundations poured? Is the building in fact rising out of the ground?

Mr Duignan: Yes, it is.

Mrs Marland: Wonderful.

Mr Callahan: Well, we'll put a stop-work order on it.

Mr Duignan: I'm going to call the question.

The Vice-Chair: Mr Duignan, I can appreciate that we've spent considerable time on this issue, but we technically have only had one speaker on it and Mr Tilson has not spoken to the issue at all, so I am going to take the Chair's prerogative and say that Mr Tilson can make some brief comments.

Mr Tilson: The trouble is, you see, that a lot of the members of this committee are new since we got into this. There's nothing new in this report that hasn't been said before, other than the fact that we now have the Provincial Auditor being critical not only of the WCB but the Ministry of Labour. Here it is in black and white. The whole issue of accountability is being questioned.

It's not as if we're seeing a whole new topic. This topic has been spent in a great deal of detail, and not only should Mr Di Santo be here, but a deputy minister should also be here to make comments on the Provincial Auditor's remarks.

I see no reason why we can't start on this process. It's not like the Provincial Auditor has presented his report and is making private session comments, because this topic has been dealt with before. There's no reason we cannot continue with this today, starting at page 1, to make initial comments, and to instruct the clerk to ask Mr Di Santo, as Mrs Marland has suggested, and there's no question that the deputy minister should also appear, and topics like that, in preparation for next week.

Otherwise, we're going to be at next week and we'll have to wait another week before any of those people need to appear. I think that currently we should be prepared to proceed with questioning the Provincial Auditor on his report and at the same time, during those discussions, instruct the clerk to ask various—

Mrs Marland: I just wish to raise a point of order before this lady leaves the room.

Mr Tilson: Well, they're all here now.

Mrs Marland: I'd like to know who this young person is who Ms Murdock just gave a copy of the report to, just so I know who else has a copy of the report.

Mr Larry O'Connor (Durham-York): I think Tim Murphy just walked out with it too.

Mrs Marland: I'm asking a question, which I think I'm entitled to know.

The Vice-Chair: Mrs Marland, that is not a point of order.

Mrs Marland: I think I'm entitled to know. At the moment, the only people who have this report are members of this committee, until a member sitting in the public gallery was just given a copy. I simply would like to know who it is in the public gallery Ms Murdock just gave a copy of this report to.

Ms Murdock: Bob Mackenzie's assistant.

Mrs Marland: The minister's assistant. The Minister of Labour's assistant.

Mr Tilson: The Minister of Labour should come next week too, because they're being critical of him in this report.

The Vice-Chair: I'm sorry, there is no point of order. Mr Johnson.

Mrs Marland: As long as I know. Thank you very much.

Mr Paul R. Johnson (Prince Edward-Lennox-South Hastings): A considerable amount of time, in my opinion, has been, I might say, wasted here this morning trying to determine whether we should have a conversation about this report in camera or not. I think that traditionally in this committee, and I've been on this committee for quite a number of years, actually, although I'm not presently now a member, we had an opportunity in camera to talk with the auditor with

regard to the report, so we could talk about some of the maybe inane things about the report that aren't the meat of the report, if you know what I mean.

It doesn't mean there's any delay to the public. It doesn't mean the public is going to miss any of the information. It was just an opportunity in a more comfortable atmosphere for the committee to talk to the auditor about the report so that we could get a good grasp of what the report actually said.

Mr Callahan: I want to make one comment.

The Vice-Chair: If you are very brief, Mr Callahan, since you have had an opportunity.

Mr Callahan: I want to make one comment. The fact is that I find it amazing that the WCB would have gone ahead with that contract when it knew that the public accounts committee was looking at it and that we had in fact directed a special audit by the auditor. That's what bothers me. Now I'm starting to think that maybe delaying it is a mistake, but maybe it's academic at this point, if they've poured the footings of the building.

I find it incredible that they would come before a legislative committee—my recollection was the time they were here as witnesses, there was a way out. Am I wrong in that regard, that the contract was not yet finalized which would require them to build the building? I'd like that checked out. If I'm correct, then I say the Workers' Compensation Board had in fact incredible gall to continue with a building where it was not legally bound to do so when it knew that a legislative committee of this House was investigating it and instructing the auditor to do a special report on it.

I would like to have those people here, and if I'm correct that there was no legal responsibility to proceed with that building, I want them here to be able to question them about it, because if they're not only out of the control of the minister, but they're out of the control of the Legislature, who's running the show? Are the inmates running the institution, or what?

Mr Tilson: That's what the Provincial Auditor was just saying.

The Vice-Chair: Seeing no further members' names on the list to speak, I will call the question.

Mr Tilson: Recorded vote.

The Vice-Chair: Could I have Mrs Marland's motion read, please?

Clerk Pro Tem: Ms Marland moved that the special report on the Workers' Compensation Board special audit be dealt with this morning in open session.

Ayes

Callahan, Tilson.

Nays

Duignan, Frankford, Johnson (Prince Edward-Lennox-South Hastings), Martin, Murdock (Sudbury), O'Connor.

The Vice-Chair: The motion fails.

Mr Tilson: Why in the world aren't you prepared to proceed on this today? There's no logical reason why we can't prepare today, list off who should be coming—

Interjections.

The Vice-Chair: Order.

Interjections.

Mr Tilson: It's $200 million.

The Vice-Chair: Mr Tilson, order. I can understand this is an emotional issue, but the motion has been defeated. We now have to make a decision how to proceed with the Provincial Auditor's special report on the Workers' Compensation Board.

Mr Duignan: I had a motion also on the floor. The motion was that we would deal with this report in a closed session next Thursday.

The Vice-Chair: Mr Duignan has moved that the public accounts committee hold a briefing session with the auditor in camera at the next session, whether that be next Thursday or at a subsequent date. Is there any discussion?

Mr Callahan: Recorded vote.

The Vice-Chair: Can we keep the discussion very brief, because I think a lot of things have been said that cover the issue.

Mr Tilson: I just have a question for the mover as to why in the world should this particular topic be dealt with in private session when we've already talked about this in open session. What in the world is so new about all this stuff? It's all old news. The Provincial Auditor is confirming what has been said in this committee before. Why do we have to go behind closed doors? There's no reason why the government members should insist that this go behind closed doors, no reason at all.

1110

You should attend these conferences more, because they were being very critical of this committee and other committees across this land, government committees, as to why in the world so many of our sessions are being held in private session.

Mr Duignan: Maybe the words "deal with" are a little too harsh. What I meant was that we would deal with the briefing from the auditor at the next closed session, along the lines the auditor indicated and Ms Murdock indicated earlier. I think we should get on as much of this as we can. I would move that Mr Di Santo be requested to appear before the committee next week as well.

The Vice-Chair: Is this part to be in camera or in public session?

Mr Callahan: Obviously, in public session, I would say.

The Vice-Chair: We did need that clarified. Mr Callahan is moving an amendment to the motion that the public accounts committee would meet in camera

for the briefing with the auditor next Thursday and this would be followed by a public session that the chair of the Workers' Compensation Board, Mr Di Santo, would be invited to attend as a witness.

Mr Callahan: In open session.

The Vice-Chair: In open session. First we will vote on the amendment.

Mrs Marland: Can I ask a question?

The Vice-Chair: I'm sorry, I thought you said, "Put the question."

Mrs Marland: Sorry, no, I didn't. I have a question. Could you tell me—I think I am allowed to—how the main motion is worded, please, Madam Chair?

The Vice-Chair: Our trusty clerk will do that for us.

Clerk Pro Tem: Mr Duignan moved that the committee hold a briefing session on the special report with the Provincial Auditor in closed session at the next meeting of the committee.

The Vice-Chair: That was the main motion, and there is an amendment.

Mrs Marland: So the main motion is that we deal with this behind closed doors at the next meeting, which would be next Thursday.

The Vice-Chair: We're not sure it will be next Thursday. If the Legislature is in session, it will be next Thursday.

Mrs Marland: It's at the next meeting of this committee.

The Vice-Chair: That's right, and the briefing of the Provincial Auditor will be in camera, I think was the wording of the motion. Would you like the amendment read out?

Mrs Marland: No, I'd like to speak to the motion, please.

The Vice-Chair: It's the amendment that's on the floor right now.

Mrs Marland: All right. In speaking to the amendment—and then will I have an opportunity after that to speak to the main motion?

The Vice-Chair: Mrs Marland, we have had an hour and 10 minutes of discussion on this this morning. If it is to raise new points—

Mrs Marland: Yes.

The Vice-Chair: —of course you would have an opportunity to speak.

Mrs Marland: I think with respect, Madam Chair, it's a very important matter, and I do agree with the amendment, that it should be an open session with Mr Di Santo. I think also I would ask for a friendly agreement with the mover of the amendment.

The Vice-Chair: Mr Callahan, we have a friendly amendment to your amendment.

Mrs Marland: Yes, would you accept, with Mr Di Santo's request to be before the committee, also the Minister of Labour, Mr Mackenzie?

Mr Callahan: I was going to add him, but it's difficult, I think.

Mrs Marland: Well, that he be invited.

Mr Callahan: That he be invited; he may not be available.

Mr Tilson: I'm sure he won't be.

The Vice-Chair: Am I to take it that Mr Callahan agrees to the friendly amendment?

Mr Callahan: I'm agreeable to that, yes.

Mrs Marland: Thank you. Obviously, I'm in favour of that amendment. If the minister could not attend, obviously, we would like to invite the Deputy Minister of Labour.

I think it's unfortunate that the government whip on this committee has moved to deal with this public report behind closed doors. It's obvious that they do not realize the right of the public to information that should be public. We now have a public report, and they want to discuss it in private. It just doesn't make any sense. It's so contradictory to what our responsibility is as members of the public accounts committee. You know what it says? Public accounts. So now what we're going to do is keep it all controlled, sweep it under the carpet, have closed sessions.

Mr Duignan: I thought she was raising new points on this issue, Madam Chair.

Mrs Marland: You know, the style of this government is incredible. I suppose the good news is that every time they want to do something like this, they just confirm more and more for the public that this is a style that the public will not accept. The public does want public reports that have an impact on where their tax money is being spent, whether it's directly through the treasury or through the funds that are paid into workers' compensation—workers' compensation was designed to compensate injured workers; it was never designed to build $200-million ivory towers when there are 23 million square feet of rentable space available in this city.

The fact is that what we have here is a report that confirms that the Workers' Compensation Board went beyond its mandate in order to do something that it wanted for the comfort of its own workers and to be in an ideal working environment, their 180 square feet per worker, all these things that Mr King told us he wanted. He wanted ideal floors, ideal ceilings in a time when people are lucky even to be working. We're talking about $200 million that obviously we now know was spent unnecessarily. I upset Mr King last time apparently because he said he was going to challenge to say it outside of the shroud of the committee room, but obviously we now know that the decision of the Workers' Compensation Board was at best questionable. This

report just confirms that. So I think for Mr Duignan to move, on behalf of the government members of this committee, that we deal with it under the carpet, behind closed doors, is deplorable.

Mr Tilson: Paying interest at 10.25%, I'd want to keep it quiet too.

The Vice-Chair: Thank you, Mrs Marland. Seeing no other people on the list, we will vote on the amendment to the motion.

Mr Callahan: Recorded vote.

The Vice-Chair: This is the amendment by Mr Callahan, as amended by Mrs Marland with the friendly amendment. Could the clerk read it?

Clerk Pro Tem: Mr Callahan moved that the motion of Mr Duignan be amended by adding the words "and that Messrs Di Santo, chair of the WCB, and Mackenzie, Minister of Labour, be requested to appear as witnesses before the committee at the next meeting in open session."

Mrs Marland: Are you still agreeing to a private session?

Mr Callahan: No, no, in open session.

Mrs Marland: Also, the deputy was added, I think, if Mr Mackenzie couldn't come.

Mr Callahan: Yes.

Ayes

Callahan, Marland, Tilson.

Nays

Duignan, Frankford, Johnson (Prince Edward-Lennox-South Hastings), Martin, Murdock, O'Connor.

The Vice-Chair: The amendment fails. We will now vote on the main motion by Mr Duignan, if the clerk could read that for us.

Clerk Pro Tem: Mr Duignan moved that the committee hold a briefing session on the special report with the Provincial Auditor in closed session at the next meeting of the committee.

The Vice-Chair: All in favour? Now, was your request for a recorded motion only on the amendment?

Mr Callahan: No, a recorded vote on this.

Ayes

Duignan, Frankford, Johnson (Prince Edward-Lennox-South Hastings), Martin, Murdock, O'Connor.

Nays

Callahan, Marland, Tilson.

The Vice-Chair: I see Mr Murphy is on television speaking in the House. He did have his hand up, so I'm not sure—oh, he's got his hand down now—he counts, but he gets at least an honourable mention.

The next item: I hate to cloud the issue and to delay even further Mr Callahan's motion, but we were going to revert to the report of the subcommittee, I believe.

Mr Duignan: No.

The Vice-Chair: At the end of the entire thing?

Mr Duignan: We're doing 2, 3, and 4 and then going back.

The Vice-Chair: Mr Callahan, you're on.

1120

FURNITURE AND RENOVATIONS

Mr Callahan: Yes, I have it on good authority that Hydro, that famous pollster operation that wants to find out whether or not the light inside your refrigerator goes out and all of this other stuff and can spend $1.6 million on that poll—

Mrs Marland: One point three million.

Mr Callahan: Thank you.

The Vice-Chair: Mr Callahan, if I could ask you to read the motion first and then you can make comments.

Mr Callahan: The motion by myself is that the Provincial Auditor be authorized, under section 17 of the Audit Act, to carry out a special audit to investigate the large quantities of assets purchased, but not used, and presently being warehoused by Ontario Hydro, and further, the recent renovations and replacement of furniture at the General Division courthouse at 361 University Avenue, Toronto, including the costs thereof and when such renovations were last carried out.

I move that motion, Madam Chair.

The Vice-Chair: Any opening comments?

Mr Callahan: Yes. I have it on very reliable authority, and we've yet to be able to find the warehouse where this stuff is stored, but I understand that Hydro spent something in the neighbourhood of about $1 million on refurbishing the Hydro building. It turned out that the interior decorator didn't like the furniture that was purchased, so it has been stored in a warehouse. It has moved from warehouse to warehouse because they don't want to be caught up with, I understand. I'd like to find that furniture, because it might be suitable for somebody else's—

Mr Paul Johnson: We can't sell it to the National Capital Commission. They've already bought some.

Mr Callahan: Well, that's true, but it might be suitable for use in some other facility. In addition to that, I find it incredible that a facility that is obviously, as a result of some of the questions in the House yesterday, totally out of control, would have the audacity to not at least take this stuff out of storage and have a garage sale and try to recoup some of the taxpayers' money. So that's the first thing. I want the auditor to find that furniture, if he can. Failing that, if he has any difficulties, I suggest that we invite Mr Strong to appear before this committee and tell us what he knows about the furniture. I think it's time the furniture came out of hiding. It may be out of style by the time we catch up with it.

I'm also given on very good advice, and in fact it was the advice of someone who should know, and I don't want to reveal in any way, shape or form that person's capacity, but apparently 361 University Avenue received an entirely new renovation: replacement of furniture and wallpapering. In this person's considered opinion, and as I say, this person works in that facility, it wasn't necessary. It's nice to create jobs, but one would wonder, at whose expense? I'd like to find out why, as I said, this work was done, whether it was necessary, if we got value for money and when such renovations were last carried out. If we're going to go around wallpapering buildings and renovating buildings just simply to create a façade of economic activity, we've got real problems in this province.

I would hope that the members would, in a non-partisan way, because this really is an important issue, particularly in this time of attempts to try and control the deficit through things such as the social contract and the rest of it—I think the government members certainly will support this because they are, as we are, concerned. I think we as members of public accounts should deal with this. This is really looking into the question of whether or not the taxpayers' money is being spent wisely. I would hope everyone would support this motion and maybe we'll find the furniture.

The Vice-Chair: Thank you, Mr Callahan. It appears that the auditor is going to have to dig out his private investigator's licence in order to conduct this.

Mr Callahan: If he needs any help, you come back and ask us for the authority. We'll ask Mr Strong to come before us. Maybe he knows what garage the furniture is in.

Mr Duignan: We agree with the motion from Mr Callahan, for some of the reasons stated by Mr Callahan. I know time is getting short, so I will keep my comments to that.

The Vice-Chair: There appear to be no other comments to be made by members, that they've indicated to me anyway, so I'll call the vote.

All those in favour of Mr Callahan's motion?

It appears to be a unanimous decision.

Mr Paul Johnson: What, no recorded vote?

Mr Callahan: I'm getting better. I should have recorded it. It's the first one I've got everybody.

The Vice-Chair: I'm sure Mr Callahan wishes to point out, though, that it was unanimous. Is that what he would like?

Mr Callahan: Yes, thank you very much. When we find the furniture, each of you can have a piece.

NEW VENTURES PROGRAM

The Vice-Chair: Now we have a motion from Mr Duignan which I would ask him to read out, and then he'll have an opportunity to make opening comments.

Mr Duignan: I move that the standing committee on public accounts conduct a review of the new ventures program for the Ministry of Economic Development and Trade during the summer recess.

The Vice-Chair: Would you like to make some comments?

Mr Duignan: Very briefly, as time is getting on, I would like the committee to conduct a review of this particular program to see if in fact the new ventures program is working well, if the public is getting value for its money, and see if there are any problems in relation to that particular program, especially in this particular time of tight money. I want to know, is the public getting value for its money?

Mr Peters: May I make just a brief question? Are you aware of the sunset report commissioned by that organization?

Mr Duignan: Yes.

Mr Peters: You are? Okay. I just wondered.

The Vice-Chair: I just have one question for the auditor. Has there been any special review from the auditor's office on new ventures, or is this something that would be conducted by the committee but not under the auspices of the auditor?

Mr Peters: We have carried out an audit of the Innovations Ontario Corp which we have recently completed, but that is only part of this. It does not specifically refer to this program. I think this is a specific motion, and we have not done specific work on that program.

Mr Paul Johnson: Is that audit on Innovations Ontario available now? Will it be available soon?

Mr Peters: Our practice is for consideration for inclusion in the annual report if it's not a special report under section 12 of our act.

The Vice-Chair: So that would probably be the latter part of November or early December, then?

Mr Peters: That's right.

The Vice-Chair: Any other comments? No? Then I'll call the vote. All those in favour of Mr Duignan's motion? All opposed? It appears to be another unanimous motion. This committee is improving.

The auditor has a point he'd like to make.

Mr Peters: Just a quick point of order. You're meaning this to be carried out under section 17 of our act?

The Vice-Chair: No, I think this is for the committee.

Mr Peters: This is for the committee, not a section 17. Okay, just a clarification. Thank you.

The Vice-Chair: Thank you. Now, given that Mr Duignan's motion does ask that the new ventures program be looked at during the summer recess, I think

that has bearing on the subcommittee report, which was the first item on our agenda, and we have to make a decision on how we are going to organize our summer. Now this could be left to the subcommittee again, or members could make comments at this time.

Mr O'Connor: I want to speak on a new subject, Chair, so my feeling is that the subcommittee could deal with that.

The Vice-Chair: Mr O'Connor has expressed the opinion that the subcommittee should take a second look at the agenda, given that Mr Duignan's motion does ask for new ventures to be looked at during the summer recess. Are there any other comments on that? Is there consensus that the subcommittee would rejig the agenda, as it were?

Seeing no opposition, then, the subcommittee will be directed to take a second look at the agenda and try to fit in all our various items.

Mr Murphy: If I may, just on that last point, I think it makes sense to do that. The only question I have is that I assume part of that deliberation will be the discussion we had earlier, the fact that we may be sitting anyway, so that we should be not just scheduling for summer recess but scheduling to get on with things, and that be part of what the subcommittee considers.

1130

Mr Duignan: On the same point, I agree. Maybe the subcommittee can look at putting them in priority so that the committee can start dealing with some of those summer recess items now. If the House is sitting through July and August, let's start at the top and work through the list.

The Vice-Chair: Just to finish up on that point, it would be my intention as acting Chair to have the subcommittee meet prior to next Thursday's meeting. If that is acceptable to the committee, then I would suggest that the first item on the agenda prior to going in camera on the Workers' Compensation Board would be to approve the subcommittee report. Mr O'Connor?

GO TRANSIT

Mr O'Connor: I received a motion here placed on the desk by Mr Tilson. It's a Progressive Conservative motion. Seeing how we have a little bit of time, I wonder if we could we deal with this motion this morning. I think it may need an amendment to give the Provincial Auditor the authority under section 17. I'm not sure. I would think that it likely needs that amendment, but maybe we could deal with that now and have the work done.

It's something that I think, for some members of the committee, perhaps we are coming here a bit as a local MPP with concerns of services going to be cut and people being thrown into a position where they have no way of getting to work. It's something that does have not only a broader prospective concern, but also as local MPPs it has a concern to us. I wonder if we could deal with that this morning.

The Vice-Chair: As long as we have Mr Tilson's concurrence and the concurrence of the committee.

Mr Tilson: Madam Chair, I would welcome that. The only reason I didn't pursue that is because you had a number of items, but you seemed to have gone through the agenda. But if there is time, I would like to discuss that motion now.

The Vice-Chair: That's fine, then. I'm going to ask Mr Murphy to speak, since he—well, actually, I think Mr Tilson would like to speak to the motion.

The Chair has a slight problem in that she has to go up to the House to speak now. So with the committee's indulgence, Mr Murphy could ask his question or make his comments from the chair. Then I'll leave the chair to Mr Murphy. Mr Tilson, would you like to make your comments?

Mr Tilson: Yes, Madam Chair.

The Vice-Chair: Mr Tilson, Mr O'Connor has suggested that you need to move the motion again.

Mr Tilson: Very well, Madam Chair.

The Vice-Chair: I don't know whether that's true or not. You may as well do it.

Mr Tilson: I would be pleased to move it again. I concur, before I make the motion, that subject to what the Provincial Auditor has to say, Mr O'Connor is probably correct that we should be specific that it's under section 17 of the Audit Act, reference section 17, but I will read the motion as printed:

I move that the Provincial Auditor conduct an audit of the Toronto Area Transit Operating Authority, GO Transit, to determine whether the agency's recent decisions to terminate and/or reduce services on certain of its routes while maintaining service on routes also served by municipal transit authorities and to areas outside the greater Toronto region resulted in the best use of the funds provided by the province to the agency and were consistent with the mandate of the agency to develop and operate an interregional transit system for people whose travel takes them through more than one regional municipality.

That is the motion, Mr Chairman.

The Acting Chair (Mr Tim Murphy): Would you like to speak to it?

Mr Tilson: Yes. There are several concerns, as Mr O'Connor has reiterated, that affect a number of ridings within and without the greater Toronto area. GO Transit, of course, is designed to operate inside the greater Toronto area, although a number of routes take it outside. One was cut from Guelph, I believe, but that was outside of the GTA. There are a number of areas that are still outside the GTA.

There have been accusations made to me privately,

none of which have been substantiated, but accusations have been made by constituents in my riding suggesting that the decisions to make the cuts that have been made have been political, as opposed to for sound economic reasons. There have also been accusations made, none of which I have followed but which have come from different sources, that there may be municipal transit routes which are operated by municipal transit authorities operating along the same lines as the GO Transit, in other words, the accusation of duplication.

When I hear accusations such as this, along with the alarming concerns of constituents in my riding—and Mr O'Connor, I know, is hearing the same concerns in his riding. We have an area called the greater Toronto area which GO is servicing and we have substantial cuts, and yet we are concerned that those cuts are being made on sound economic principles and not on political principles. We are also concerned because of the accusations as to whether or not GO is being administered in the way that it should and that perhaps those cuts shouldn't be made in the manner in which they are.

That is the intent of the motion. Many of these cuts will take place, as I understand it, in the fall. They have been announced now but they will take place in the fall. I don't know how much the auditor's staff have on their plates, but I would suspect that it would take a good chunk of the summer to make these inquiries. Hopefully, a report could be made in the fall.

The Acting Chair: Mr Tilson, given what you've outlined and what I think the purpose of your motion is, I've been advised by the auditor that in order to have adequate scope, it should make reference to a special audit under section 17 of the Audit Act. So you might want to amend your motion.

Mr Tilson: Yes, I thank Mr O'Connor for that and I'd ask the clerk's assistance as to where in the motion that should go. But the intent would be to have the appropriate wording in the motion referring specifically to a direction under section 17 of the—

The Acting Chair: Yes, the proposal would be to add, after the word "audit," "pursuant to section 17 of the Audit Act."

Mr Tilson: Thank you, Mr Chairman. Yes, I would make that amendment, subject to members of the committee.

Mr O'Connor: As has been pointed out by my friend and colleague Mr Tilson, this is something that has been raised to me by a number of constituents: some concerns about money-making, peak-hour operations being deleted. One must question why they would be trying to cut a service that is actually making money.

So, as has been related to me, I guess the concern is, when we take a look at public transportation, it's not actually in the business to make money. When a public transit authority does actually make some money, then I don't think that's reason to cut it. It seems rather ludicrous to me.

I know that for a community like Uxbridge, it would probably be into the next century before it would ever see the possibility of an extension of the GO train, though I'd like to see that happen at some point in the future. GO Transit will, I'm sure, do that when it feels it's the best time, and I'm sure it's got a manner in which it does these sorts of things.

But it's been pointed out to me that in the past there has been a private operator run the service and made a profit at it and that the numbers they needed to run at a profit are still the numbers using the transit authority today. So I find it rather difficult to see that a service that appears to even be making money would be cut like this.

I guess if there are alternatives that are shown to people who have been using this—and it's not like they can turn around and catch the TTC, because there is no TTC in the outlying areas that the GO Transit does reach out into, and I think we need to take a look at that seriously.

I support the motion that Mr Tilson has raised and I'm glad that he's going to make that amendment to make sure that the auditor has the ability to take a look at it. It certainly is a concern and I know that Uxbridge council is very concerned about this. In fact I believe it's probably going to be calling GO Transit to come and explain the situation as well. But perhaps this committee should be taking a look into it further and just see the reasons behind some of this, especially when something is making money, that it should be cut just seems beyond belief.

1140

Mr Robert Frankford (Scarborough East): I'm supportive of this. I have two GO stations in my riding, which are not being cut, but I appreciate the opportunity of just having a little input on this.

I'm very interested in the overall economics of transportation and I hope this audit would give some indication of the broader social cost-benefit analysis of services like GO transportation which have the potential for reducing car dependency. I'm strongly convinced that really has very broad, desirable effects.

Mr Callahan: This is something that was raised by, I think, Charles Beer in the House, this very issue, and it's certainly very germane to areas such as Brampton. We've had an issue there for probably 15 years, I guess, where they required double tracking between Brampton and Bramalea to increase the GO service on that line. It has never been done. It could have been done for $10 million. Now it's probably up around $100 million.

Mr Duignan: That's about what it's going to cost.

Mr Callahan: Yes. The other thing that always amazed me was that the owner of the rail system—why

we could never have gotten together with them to establish some sort of timing for freight trains so you wouldn't have to expend this money, but you could in fact schedule more GO service. The people from my community have to drive into Toronto if they work in that area, or Rexdale. I don't know whether you've ever been on Highway 401, but's it's like wall-to-wall traffic. If we're really serious about eliminating the massive amount of traffic on our roads, we should really be very seriously looking at not a cutback in GO service but expanding it.

I'm going to vote in favour of the motion. I think we are being very foolish in using GO service as a method of cost saving. I know the trains out of my community—they had to put doubledeckers on because they were so popular and so well used.

If you look at the United States, that's essentially how the US has been able to eliminate the high cost of housing in the urban area. People were able to move out to the suburbs where the prices were more reasonable because they had access through a commuter system to the places of business. We had that, and certainly when GO was instituted way back when, I was very excited about it; I think most people were. It in fact provided a very good opportunity to limit the traffic on our highways and at the same time give access to points north—Barrie, even beyond Barrie—to allow people to take a reasonable trip into Toronto or wherever.

This may also be the reason why our cities are becoming so congested in terms of people living in the city, because they don't want to have to go through the problem of driving in from the—I don't want to call it the "boonies," but certainly from the suburbs.

Mr O'Connor: Don't call my riding the "boonies." It's just a rural riding.

Mr Callahan: All right. I really think we should conduct that audit into the termination and reduction of services. I think they looked at the routes where there was a tremendous amount of service and one would think that if there's a tremendous amount of service, that means there's a tremendous amount of demand.

It certainly doesn't make any sense to me to reduce something that's successful in an effort to curtail costs. Surely to heaven, the rates on GO are high enough that they should have been operating at probably a profit or certainly a break-even point. I'd be very interested in finding out whether or not that's the case—I think that may be part of the audit—as to whether or not those rates were significant enough to provide a break-even or perhaps below break-even.

Finally, I wish I had the authority to investigate the TTC. This is going a little far afield, but I think it's important as well. The TTC charges people the same rate whether they're travelling two stations or one station. In London, they have a process whereby you get a ticket and you pay from point A to point B. If you go beyond B you have to get another ticket. It seems to me that's fair and equitable to people that they should be able to travel. That's what we do on GO. If you're coming from Oakville, you'd pay less, more if you're coming from Burlington or more if you're coming from Hamilton.

I think this is a timely and important issue to be considered and I applaud the member for bringing it forward, even though, as I say, it was raised in the House earlier, and I think it's a matter that public accounts should look at.

It also becomes particularly germane in that the move seems to be afoot to sell the rolling stock and lease it back. I'd be very interested in what impact that will have in terms of the cost of providing service to future GO expansion, whether or not that was a wise—now, I'm not sure. Maybe the auditor by doing that would be getting involved in policy, but it seems to me we could try to determine—stop me, Mr Auditor, if I'm going too far afield or if it would be an impossible task. I'd like to find out what the impact is of our selling the rolling stock. Are we creating a scenario that will result in even further reductions or further lessening of the availability of rail from points outside of Toronto? I don't know whether that would be part and parcel of this or whether we need an amendment to the motion to be able to enjoin that additional feature.

The Acting Chair: We would need an amendment.

Mr Tilson: To be fair, I tried to make the—

Mr Duignan: Could we share some time here?

Mr Tilson: You're right; I apologize. I just wanted to clarify that point, that hopefully the motion is broad enough to cover that.

The Acting Chair: If I may, Mr Callahan, the auditor indicates that in order to do what you want to do, the motion would need to be amended.

Mr Callahan: All right. I would so then amend it, that the audit include the impact, negative or positive, of the sale, the proposed sale—I don't know whether they've done it yet—of the rolling stock and the leaseback by GO. Is that enough? The auditor's nodding his head yes, so I would so add that as an amendment to the motion.

The Acting Chair: Is that a friendly amendment, Mr Tilson?

Mr Duignan: Mr Chair, I thought there was a rotation.

The Acting Chair: Yes, there is a rotation. I have a speaking list. I'm just asking the mover if it's—

Mr Tilson: I prefer that be strictly an amendment as opposed to a friendly amendment.

The Acting Chair: Okay, fine. Mr Duignan.

Mr Duignan: I just remembered I have actually two

GO lines in my riding, the Milton line and the Georgetown line, and it was always a problem to get the service extended to Georgetown and beyond because of the whole situation with regard to the rail lines owned either by CP or CN. I was wondering if, when the auditor is looking at this whole area of GO Transit, it would look at the whole question of how much GO gives to CN and CP for the use or the lease of the track and whether that's actually value for money, whether it's higher than what it should be; that type of thing.

Mr Peters: May I speak to this for just a moment? With your permission, if I may broaden the point a little bit, we have a number of motions before us to look into special things. As you may recall, on the Workers' Compensation Board, it helped the committee greatly, before we even conducted the audit, by inviting officials from the various organizations for clarification.

1150

With the points that are coming in to this motion about the GO Transit service now, I find myself a little bit at sea as to the focus, where we want to go with this. In order to help me focus better and help the committee maybe in getting some of the questions resolved already beforehand, I was wondering if, after dealing with the motion, once you deal with it and pass it, for example, whether you might not want to invite officials of the organization before you, saying you have passed the motion and you would like to explore various issues with them. That would give me a better opportunity to serve you better in this regard. So I would like to expand that. To answer your specific question, that could be an issue that you could raise in the discussion with officials, and we can certainly follow up in the audit.

Mr Duignan: I have a concern with that. That could have an impact on the rates and on charges. Are the GO Transit services subsidizing the freight services of CN and CP? That's the question I would like to have answered.

Mr Frankford: I welcome that suggestion because, although I didn't propose any motion around the broader cost-effectiveness issue, I would very much welcome the opportunity of questioning some authoritative people on that.

The Acting Chair: Maybe what we can do is deal with this motion, and if it is passed, we can proceed to either a motion or put it to the subcommittee, and the amendment as well, but I meant the motion in the broader sense and then deal with the suggestion of the auditor. Is there any more discussion on either the amendment or the motion?

Mr Callahan: Mr Tilson raises a good point in response to the auditor's suggestion, which I think is a good one, that we have somebody here from GO, but whom do we invite now? Mr Parsons's term has run out. Do we invite him? If we do, you'd have to pay him to come, I would think—maybe not; Lou's a pretty flexible guy.

Mr Duignan: The vice-chair.

Mr Callahan: Well, who is the vice-chair? Mr Tilson suggests that maybe it's Dale Martin.

The Acting Chair: I think that's a debate for the motion beyond this one.

Mr O'Connor: I think that the motion as Mr Tilson has placed it, with his minor amendment, was pretty succinct. It dealt with an issue that's imminent. It's something that's going to happen in the very near future, and it's something that I think for a lot of committee members and for people living within the greater Toronto area is of concern right now. I think if we broaden things too far, we're not going to be able to deal with the issue before us. With that, perhaps Mr Callahan will rethink his amendment. In any case, time is running rather short here.

Mr Duignan: Very briefly, I agree with Mr Tilson's motion, but I think we have to look at what Mr Callahan and I said, because that has a bearing on the costs of the operations of GO, that and some other issues. I think we've got to look at all aspects.

Mr Callahan: I'd accept Mr Duignan's amendment as a friendly amendment to my amendment if we vote on the amendment first.

The Acting Chair: I'm not sure he moved one.

Mr Tilso then: I believe we should put the question, Mr Chairman.

The Acting Chair: I think so. We will vote on the amendment to the motion and then the motion itself. I don't have it. Do you have it there?

Clerk Pro Tem: Mr Callahan moved that the motion of Mr Tilson be amended by adding the words "and that the audit include the impact, negative or positive, of the proposed sale of rolling stock and leaseback provisions."

The Acting Chair: All those in favour of Mr Callahan's motion, just raise your hands: four. All those opposed? It fails to carry.

All those in favour of Mr Tilson's motion? Unanimous vote again. All right, now do we want to deal with the issue of inviting somebody to come and speak? Does someone want to move that?

Mr Tilson: I think the Provincial Auditor's comments are valid.

Mr Duignan: Why don't we have the subcommittee deal with this issue, because we should have somebody from CP and CN here?

Mr Tilson: Agreed.

The Acting Chair: Why doesn't Mr Tilson move that we have the subcommittee deal with—

Mr Tilson: So moved. Do we have to do that?

The Acting Chair: Can't we just do that by agree-

ment? It seems we can do that by agreement.

Mr Frankford: There are advocacy organizations, such as I believe Transport 2000, and can I suggest the possibility of inviting them being added?

The Acting Chair: I think that can be done by consent through the subcommittee. Do we have a motion to adjourn?

Ms Dianne Poole (Eglinton): Just before we adjourn, could we just have members of the subcommittee stay for two minutes afterwards to try to determine when we would meet?

The Acting Chair: Okay, a motion by Mr Duignan to adjourn. We are adjourned. Thank you very much.

The committee adjourned at 1156.

CONTENTS

Thursday 15 July 1993

Subcommittee report P-89
Workers' Compensation Board P-91
Furniture and renovations P-101
New ventures program P-102
GO Transit P-103

STANDING COMMITTEE ON PUBLIC ACCOUNTS

Chair / Président: Cordiano, Joseph (Lawrence L)
*__Acting Chair / Président suppléant:__ Murphy, Tim (St George-St David L)
*__Vice-Chair / Vice-Présidente:__ Poole, Dianne (Eglinton L)
*Callahan, Robert V. (Brampton South/-Sud L)
*Duignan, Noel (Halton North/-Nord ND)
Farnan, Mike (Cambridge ND)
*Frankford, Robert (Scarborough East/-Est ND)
Hayes, Pat (Essex-Kent ND)
*Marland, Margaret (Mississauga South/-Sud PC)
*O'Connor, Larry (Durham-York ND)
Perruzza, Anthony (Downsview ND)
*Tilson, David (Dufferin-Peel PC)

**In attendance / présents*

Substitutions present/ Membres remplaçants présents:
Johnson, Paul R. (Prince Edward-Lennox-South Hastings/Prince Edward-Lennox-Hastings-Sud ND) for Mr Farnan
Martin, Tony (Sault Ste Marie ND) for Mr Perruzza
Murdock, Sharon (Sudbury ND) for Mr Hayes

Also taking part / Autres participants et participantes:
Otterman, Jim, Assistant Provincial Auditor
Peters, Erik, Provincial Auditor

Clerk pro tem / Greffière par intérim: Arnott, Douglas

Staff / Personnel: McLellan, Ray, research officer, Legislative Research Service

CA20N
XC21
-P72.



P-9

ISSN 1180-4327

Legislative Assembly of Ontario

Third Session, 35th Parliament

Assemblée législative de l'Ontario

Troisième session, 35e législature

Official Report of Debates (Hansard)

Thursday 22 July 1993

Standing committee on public accounts

Workers' Compensation Board

Subcommittee report

Journal des débats (Hansard)

Jeudi 22 juillet 1993

Comité permanent des comptes publics

Commission des accidents du travail

Rapport de sous-comité

University of Toronto

Chair: Joseph Cordiano
Clerk: Tannis Manikel

Président : Joseph Cordiano
Greffière : Tannis Manikel

Published by the Legislative Assembly of Ontario
Director, Hansard Reporting Service: Don Cameron

Publié par l'Assemblée législative de l'Ontario
Directeur, Journal des débats : Don Cameron

Hansard on your computer

Hansard and other documents of the Legislative Assembly can be on your personal computer within hours after each sitting. Sent as part of the television signal on the Ontario parliamentary channel, they are received by a special decoder and converted into data that your PC can store. Using any DOS-based word processing program, you can retrieve the documents and search, print or save them. By using specific fonts and point sizes, you can replicate the formally printed version. For a brochure describing the service, call 416-325-3942.

Index inquiries

Reference to a cumulative index of previous issues may be obtained by calling the Hansard Reporting Service indexing staff at 416-325-7410 or 325-7411.

Subscriptions

Subscription information may be obtained from: Sessional Subscription Service, Publications Ontario, Ministry of Government Services, 50 Grosvenor Street, Toronto, Ontario, M7A 1N8. Phone 416-326-5310, 326-5311 or toll-free 1-800-668-9938.

Le Journal des débats sur votre ordinateur

Le Journal des débats et d'autres documents de l'Assemblée législative pourront paraître sur l'écran de votre ordinateur personnel en quelques heures seulement après la séance. Ces documents, télédiffusés par la Chaîne parlementaire de l'Ontario, sont captés par un décodeur particulier et convertis en données que votre ordinateur pourra stocker. En vous servant de n'importe quel logiciel de traitement de texte basé sur le système d'exploitation à disque (DOS), vous pourrez récupérer les documents et y faire une recherche de mots, les imprimer ou les sauvegarder. L'utilisation de fontes et points de caractères convenables vous permettra reproduire la version imprimée officielle. Pour obtenir une brochure décrivant le service, téléphoner au 416-325-3942.

Renseignements sur l'index

Il existe un index cumulatif des numéros précédents. Les renseignements qu'il contient sont à votre disposition par téléphone auprès des employés de l'index du Journal des débats au 416-325-7410 ou 325-7411.

Abonnements

Pour les abonnements, veuillez prendre contact avec le Service d'abonnement parlementaire, Publications Ontario, ministère des Services gouvernementaux, 50 rue Grosvenor, Toronto (Ontario) M7A 1N8. Par téléphone : 416-326-5310, 326-5311 ou, sans frais : 1-800-668-9938.

Hansard Reporting Service, 481 Legislative Building, Toronto, Ontario, M7A 1A2. Phone 416-325-7400. Fax 416-325-7430

STANDING COMMITTEE ON PUBLIC ACCOUNTS

Thursday 22 July 1993

The committee met at 1012 in committee room 2.

WORKERS' COMPENSATION BOARD

Mrs Margaret Marland (Mississauga South): At the outset, I know that on the agenda this morning we have listed, in closed session, the special report for the standing committee on public accounts on the new headquarters of the Workers' Compensation Board dated June 30, 1993. There are two things that I think are really significant. One is that this report is public. Every person who wished a copy could have a copy.

Mr Noel Duignan (Halton North): Mr Chair, on a point of order: This committee moved a motion and approved a motion the last day—

Mrs Marland: You don't even know what I'm going to say.

The Acting Chair (Mr Robert V. Callahan): Just a second, Mrs Marland. Go ahead.

Mr Duignan: We approved a motion that we would deal with the Workers' Compensation Board report in camera, in closed session, today, Mr Chair.

The Acting Chair: That was passed at the last meeting, as I recall. Mrs Marland, I don't know what you're going to say either, but if you are debating an issue that has been already dealt with, I think that's out of order. I guess it would have to be somebody who voted on the opposing side who could reopen the issue if they wanted to. The committee has made a decision, and if that in fact is what you're addressing, then that's out of order.

Mrs Marland: May I continue, Mr Chairman?

The Acting Chair: No. Can you tell me, is that what you're addressing, the issue of the vote that took place on the last occasion?

Mrs Marland: I'm speaking to the item of the report. I would like to continue my comments.

The Acting Chair: Before you do that, I have to ask you, are you in fact revisiting the vote that took place on the last occasion? If you are, you're out of order.

Mrs Marland: No, I'm not revisiting the vote.

The Acting Chair: All right, you can continue. If that changes, we'll deal with it then.

Mrs Marland: All right. If I can continue where I left off, the report that is to be discussed behind closed doors, shrouded, under the carpet, as a result of a vote that was taken last week by the government members on this committee to shut out the public from information the public now has, because the report is public—that vote was taken last week, and that's not what I'm discussing.

I'm discussing the fact that although that took place last week, I am in receipt, as of yesterday, of two letters, from two different consultants the WCB used in making its decision to go ahead with its $200-million office building in spite of the fact that there were 27 million square feet of available rentable space in this city.

My concern, Mr Chair, and I need advice from you—oh, Madam Chair.

Mr Robert V. Callahan (Brampton South): I'm no longer in the chair.

Mrs Marland: Now we've changed our Chairman.

I need advice: What is the public allowed to know on the issue of this Workers' Compensation Board new office building? We have a second report from the auditor that is public as of last week. We now are getting correspondence from consultants which, at the very least, I would suggest, is tremendously defensive. They're trying to explain why it was a good deal, and these letters are addressed to the standing committee. They talk about, in one case, why the WCB made a 20-year investment at over 10% interest rates for that 20 years. In other words, most of the information is public that's printed, and now we're going to be pushed behind closed doors to discuss something that's already in the public domain.

So I need some guidance on this: After we go into closed session, how much is the public going to be allowed to know about a report that's already public? It's absolutely ridiculous that we're going behind closed doors to discuss a public report, and there are these letters we've now received from the consultants defending the board's decision to go ahead, one letter to the Premier from Rice Brydone Ltd and another letter addressed, interestingly enough, to the Chair of this committee from Richard Ellis, international real estate advisers, telling us what a good deal it was for the WCB. Why is it necessary for us to go behind closed doors and discuss everything that's already public information?

The Vice-Chair (Ms Dianne Poole): Mrs Marland, as you are aware, this matter was discussed last week and there was a motion. So while we cannot revisit that particular motion, I understand that the point you're making is that you want to clarify what can be in open session and what can't. Mr Callahan and Mr Phillips both have a comment on it.

Mr Callahan: I want to place on the record and emphasize the fact that the official opposition voted against having this matter in private. In fact, it only

became public because we debated it for about an hour and a half and I finally said, "Well, have you got it here, Mr Auditor?" and he said, "Yes, I do," and I said, "Well, why don't you give it to us?" Then we got it, and it was received in open session.

I have some concerns about the letters I received. I have to take at face value that these are companies and professional people who would not, if I can use the word, prostitute themselves by writing nice letters on behalf of the board, but I have to look at the letters, and I think the letters seem to miss out on a very significant area.

1020

One of the letters said something about, "Generally, there wasn't office space available in the city that could accommodate the needs of the Workers' Compensation Board," and that was the justification for building this new building. When you read a letter like that and you say "generally," I'd like to know, was there any?

In fact, I'd like to have these people, the writers of these letters, before this committee to explain to us just exactly what the nuances are in their letters. I'm just trying to find the letter that refers to that. It says, the top full paragraph on page 3 of the Drivers Jonas letter you've got, "That being the case, at the time that the proposal call was put to the market, there would have been few buildings either existing or under construction which would have met the criteria for this amount of contiguous space." I read that to mean that there are some buildings that would have met the criteria. That to me is sort of—

Ms Sharon Murdock (Sudbury): Read the rest of the paragraph.

Mr Callahan: "Indeed, this quantum of space would have been available only in the second tower of BCE Place (generally regarded as the most prestigious and expensive building in the city) and in the Bay Adelaide Centre, which was then commencing construction but which did not respond to the proposal call."

I thank you for asking me to read the rest. I don't think that changes anything. The fact that this space was coming on line at a time when there was outstanding some massive amount of leasable space in the city tells me that although it may be an expensive place to occupy, the rents there were also going to wind up being depressed, or that, at the very least, we should be supporting the possibility of these proposed developments being successful as opposed to falling apart by our building our own facility and thereby just sort of shunting the private sector aside and saying: "Go swim on your own. We're going to build our own facility."

I find it very interesting too that they keep talking about the question of being lucky enough to get a 20-year financial commitment from the lending institution. That seems to tell me that if the WCB is such a stalwart solid investment, it's rather interesting that there was only one lender that was prepared to accommodate it. I find it passing strange as well that they keep talking about this being a great boon to the pension funds of the WCB, that in fact their real estate arm will be benefiting greatly from this. That's assuming that the real estate market takes a resurgence. Unfortunately, as we all know, it's not taking a resurgence. You could go into any registry office in this province and shoot off a cannon and the only people you'd kill would be workers. You wouldn't hit anybody who was closing a real estate deal in there.

In fact, we've made it even more difficult for them. In the city of Guelph they have moved the sheriff's office, which is an integral part of the closing of a real estate transaction, about five miles away, which means that's just going to make it more expensive to close a real estate transaction. They've jacked up the fees to register a document from $27 to $50, which is the most outrageous increase in fees I've ever heard of. It's the biggest tax grab that ever took place.

I know this is not supposed to be partisan, but I think as the public accounts committee we should be looking at these particular things. What is that investment going to be worth? Was it a good investment? I join with not wanting to question the vote that took place on last occasion, but I do have to say that these letters really don't make me feel any more comfortable than I felt when we originally addressed this issue, and I think all members should feel that way.

It's kind of like getting a note from your mother when you go back to school, you know, "Johnny's a nice boy and he won't do whatever he did again in school." That's the kind of letter I see here. They're very self-effacing. They are being written by people who obviously made a buck out of this whole project. I'm not for one minute suggesting that they're not trying to call the shots in the appropriate way, but certainly you've got to read the letter with a bit of a grain of salt.

I find it passing strange that these letters suddenly appear publicly when we're about to discuss your report, which is going to be discussed in private. These letters come forward as sort of buttressing and being a sort of recommendation or commendation for the marvellous decision that was made by the board.

Well, I think it misses one point entirely, and that point that's being missed totally is the fact that if the legal opinions that were given to WCB that they could in fact proceed with this building without the required statutory approval of the executive council are wrong—I would certainly never want to question the erudite opinion, but it seems to me that you're really mincing words when you talk about an interest in real estate and the difference being that if you're buying you've got to have consent and if you're leasing you don't have to

have consent. That's certainly splitting the legal infinitives, and it's certainly counting how many angels can dance on the head of a pin. So that's the real issue.

To whom are these people accountable? To whom is the WCB accountable? Certainly not accountable to the minister, from what we can see. Certainly not accountable to us; we told them not to go ahead with the building, and they've got the foundations in. Are they a power unto themselves? Do we not have any control over them whatsoever? We have to be responsible for their unfunded liability, we are on the hook for guaranteeing their activities, and yet we have no control over these people whatsoever.

When we decide on the last occasion that this is not a happy situation, when it becomes a cause célèbre in the House, what do they do? They send out and get three letters from the companies that they paid to say, "Oh, what a great job you did, and here's justification for having done it." Well, I say baloney, and I think that's the real nub of the issue. Who controls the Workers' Compensation Board? Anybody? Or are they totally out of control?

Mr Duignan: Point of order, Madam Chair.

Mr Callahan: You don't have to do a point of order; I'm finished.

Mr Duignan: I was going to say that we're revisiting an item that this committee voted on last week.

Mr Gerry Phillips (Scarborough-Agincourt): Madam Chair, just on a matter of privilege, I guess—

The Vice-Chair: Actually, Mr Phillips, you were the next person on the speakers' list. Then I have Mrs Marland and Ms Murdock. I think the intent of the motion last week was that we would hear the auditor's report to us, his briefing, in camera. As long as your comments are not revisiting that motion, I will accept comments.

Mr Phillips: The challenge for me is that we now have before us a document from Workers' Compensation Board, referring to the item that we're going to talk about, that I think is totally misleading. It affects me personally, and that's why I'm concerned about us moving into private session.

It says on one of the pages here, on page 3—

Mr Callahan: Which report is that?

Mr Phillips: This is the Workers' Compensation Board exhibit dated July 21, 1993, "Dear members of the public accounts committee." It says:

"WCB officials meet regularly with the Minister of Labour. Both the current and previous ministers of Labour were regularly informed about the progress of the Simcoe Place project.

"Based on these ongoing meetings with the government, it was understood that cabinet approval was not required."

Firstly, and I was the previous Minister of Labour until September 1990, that implies that the item of the Simcoe Place project was discussed with me. Well, it never was. It never was. In fact, if you go through their chronology of events, you can see it wasn't until November of 1990, or at least October, when I presume the Simcoe Place project was one of the bidders, but discussing the Simcoe Place project with me never occurred.

I also have always had a strong belief that it was wrong for WCB to be in a large downtown building. I've always felt, why pay high rent for that big a building? So I would have expressed my concerns to them.

"Based on these ongoing meetings with the government, it was understood that cabinet approval was not required." Had they ever asked me, I would have said it must go through cabinet. The only thing I can recall WCB bringing to me was some issue around its existing lease, and I don't know whether the auditor had a chance to look at that or not, but around some air space that they had in their existing lease. I instructed them to go to Government Services, I think it was, to look at it.

1030

The reason I'm concerned about moving this into private session is that we now have a letter dated July 21, which is yesterday, implying that the Simcoe Place project had been discussed with the previous minister. That simply couldn't have happened, because of the chronology of events. In July 1990, people will recall that was around the time the election was called, the board was looking at, I gather, all options including leasing, equity participation etc.

So, as I say, I'm concerned if we move into private session that somehow or other these kinds of comments that are out there that affect me personally—there's not an opportunity to respond to them.

Mr Callahan: On that same issue, Madam Chair.

The Vice-Chair: I'm sorry, Mr Callahan, we do have Mrs Marland and Ms Murdock on the list.

Mr Callahan: I thought that the member was on a point of privilege. That's what I want to address.

The Vice-Chair: He actually did put his hand up on a point of privilege. I made the comment he was next on the speaking list. So I did not clarify whether indeed it was a point of privilege.

Having heard it and his comments, I think it is a point of privilege because he was clarifying that evidence which has been submitted to our committee, the member says, is erroneous.

Mr Callahan: That's what I'd like to address, is that point of privilege, and I will confine it to that point of privilege.

The Vice-Chair: Okay, Mr Callahan, in the interests of the fact we do have a number of people to speak on

this, could you keep your comments brief?

Mr Callahan: Yes, I will be very brief. The item we were to discuss that had been voted on and that had in fact been agreed to be discussed in private, was the special report of the new headquarters, dated June 30, 1993. Nowhere was there ever a vote that the response from the Workers' Compensation Board, which is what my colleague was speaking of in terms of it being quite a privilege—that has never been voted on in terms of being discussed in private.

That issue is still open. I submit, Madam Chair, that that gives my colleague the opportunity to speak to that matter in terms of whether there should be a vote and whether we should discuss the response from the Workers' Compensation Board.

Mr Duignan: Point of order, Madam Chair: This is the public accounts committee. We have an agenda we haven't got to. I strongly object to bringing another item to the agenda. We have agreed at our subcommittee meeting to deal, first of all, with the report of the subcommittee from 10 o'clock; and deal, in closed session, with the special report of the standing committee.

At that point then, the committee would decide what would happen after that.

The Vice-Chair: Mrs Marland would like to speak to that point of order.

Mrs Marland: It's very interesting how defensive the government members are on this particular matter in this committee. It makes me think that there must be a lot of smelly rats in the hold of the ship of the WCB because, quite frankly—

Mr Duignan: You're playing pure politics.

Mrs Marland: You see, he won't even let me speak.

Mr Duignan: Pure politics.

The Vice-Chair: Mrs Marland has the floor.

Mrs Marland: We happen to work in the world of pure politics. Unfortunately for this province, we're in the world of pure socialism in Ontario. I can't believe why you're not willing to discuss something that was already discussed in public session in January.

I am not speaking, Madam Chair, to the report that is in closed session, because you already shut us out on that. The reason I brought up the letters that we've received—and I'd like to ask the clerk this. Madam Clerk, yesterday in the House I had delivered to me these letters to which I referred earlier, from Rice Brydone and from Richard Ellis Ltd. I received those letters yesterday in the Legislature. They're dated July 21.

This morning, I now receive a letter from the WCB, also dated July 21. Could you tell me when you received this wonderful package from the WCB?

Clerk of the Committee (Ms Tannis Manikel): The first letters that you received in the Legislature started coming in around 12:30 or 1 o'clock yesterday. My office did its best to get them to the members in the House.

Mrs Marland: Right.

Clerk of the Committee: The letter from the WCB came in later that afternoon and we felt it was too late to get it after question period, that we couldn't get it to the members in the House. So I brought it to the committee this morning.

Mrs Marland: Obviously the board did not wish us to have this letter far enough in advance that we could study something like 51 pages of response to an issue that is important to the taxpayers of this province.

It is significant that in this correspondence today from the WCB, on page 3, they again refer to something that we discussed in open session in this committee in January in response to questions I raised with Mr King, the vice-chair of the Workers' Compensation Board. On page 3, again they say that the WCB also sought independent legal advice and was confirmed in this view. This goes back to the issue of whether the Workers' Compensation Board—

Mr Callahan: Page 3 of what are you talking about? One of the letters?

Mrs Marland: It's in the communiqué today from the board. This goes back to the issue of whether the board could legally start a company and invest in real estate. At that time, Mr King said he had several legal opinions on that matter. When I asked, one afternoon, if we could see those legal opinions, he said yes, he would bring them the next morning.

The next morning, Mr King came with one legal opinion to this committee. When I asked him where the several others were, he said he had not been able to lay his hand on them in such a short time. When I suggested to him that perhaps he wasn't able to bring them because they were not a supporting opinion to the position the board had ultimately made, which was to go ahead and build this ivory tower for the WCB, he then challenged me and suggested that maybe I would like to repeat those comments outside the room, because he felt I was suggesting he was lying.

I did not appreciate those comments from Mr King, but how interesting that, six months later, they're still saying they sought independent legal advice. They're still saying they didn't need cabinet approval to get into the building business. Well, folks, they're in the building business, and I think we should be allowed to discuss this material that has been circulated to us, both yesterday in the House and now at our desks this morning, because what's going on here—if the government wants to discuss in closed session the auditor's report, which is what it voted on last week, fine. They're going to discuss something in closed session

that's now already public, which shows the paranoia the government has about this Workers' Compensation Board building.

I think we are entitled to discuss material that is before us this morning as members of this committee. Frankly, I think the public deserves to know what is at the bottom of this shift that obviously the government members are so highly sensitive about. We've got a situation where—

The Vice-Chair: Mrs Marland, Mr Duignan's point of order, which I think you've strayed away from, was that we are not dealing with the agenda that was set out before him. Although in this committee we've been fairly lenient, I think what I'm going to do is move off this particular topic and on to the subcommittee report. You will note that as part of the subcommittee report there is a draft agenda which includes an item about the WCB. So if there are further items you wish to raise, they could be raised at the time of our subcommittee report.

1040

SUBCOMMITTEE REPORT

The Vice-Chair: We will now move into the report of the subcommittee. Members have the report before them, and the clerk has drafted a very tentative four-week draft agenda for the summer recess, should we ever get to the point where we have a summer recess. Are there any comments from members on this? I'll give you a moment to look through the agenda.

Mrs Marland: I have a question about the meeting on the 29th that's listed on the subcommittee report, where it was agreed that the government representative on the subcommittee will try to arrange for senior staff of the Workers' Compensation Board to appear on the special report for the standing committee on public accounts on this new headquarters.

The Vice-Chair: Mrs Marland, I'm sorry, this was my error. Just before you make your comments on that, the clerk has advised that we should read this into the record. Because of my voice problems today, I'm going to ask the clerk to do that, and then you will have the floor.

Mrs Marland: Go ahead; that's fine.

Clerk of the Committee: The report of the subcommittee:

"Your subcommittee met on July 15, 1993.

"Your subcommittee discussed the committee's agenda for the summer recess.

"It was agreed that the Chair will write to the House leaders and request four weeks of meeting time during the summer recess: the weeks of August 23, August 30, September 6 and September 13.

"Your subcommittee agreed to the following agenda:

"July 22

"Closed-session briefing by the Provincial Auditor on the special report for the standing committee on public accounts on the new headquarters of the Workers' Compensation Board dated June 30, 1993.

"July 29

"It was agreed that the government representative on the subcommittee will try to arrange for senior staff of the Workers' Compensation Board to appear on the special report for the standing committee on public accounts on the new headquarters of the Workers' Compensation Board dated June 30, 1993.

"If it is not possible, officials at the Toronto Area Transit Operating Authority (GO Transit) will be requested to appear.

"Summer recess

"Week 1

"Section 3.10 of the 1992 annual report of the Provincial Auditor, Ministry of Health (health registration system):

"Health cards. The committee should invite the Deputy Minister of Health, the Ontario Medical Association and the College of Physicians and Surgeons to make presentations to the committee.

"Other items as required.

"Week 2

"Section 3.12 of the 1992 annual report of the Provincial Auditor, Ministry of Housing (non-profit housing):

"One half-day tour of co-op housing project.

"One half-day meeting with non-profit housing groups and, if possible, a president of a residents' committee on a non-profit housing unit.

"Week 3

"Accountability issues.

"Task force on university accountability report.

"Accounting principle issues.

"Section 3.03 of the 1992 annual report of the Provincial Auditor (family benefits assistance).

"Section 2.8 of the 1991 annual report of the Provincial Auditor (inspection audit of the Toronto Hospital).

"Your subcommittee agreed to direct the clerk pro tem of the subcommittee immediately to advise officials of GO Transit that they may be required to appear before the standing committee on public accounts on Thursday, 29 July 1993."

The Vice-Chair: I thank the clerk for reading that into the record. Just before we go to Mrs Marland, the auditor has advised me that he wishes to raise a point of personal privilege.

Mr Erik Peters: I would like to raise with the committee the fact that none of the letters you received from these organizations was copied to me. It was not bothered to be done.

Mr Callahan: They weren't trying to sway you; they were trying to sway us.

Mr Peters: That's exactly the point: to disable me to comment to you about the quality and the factualness of the information that is contained.

The second point I would like to raise with you is that the 51- or whatever-page document was pressed into my hands this morning at 20 to 10 as I left my office to join your meeting. I find this reprehensible, as a point of personal privilege, that as a comment on my report, after the Workers' Compensation Board had officially commented to me and I had reproduced to you, as a committee, in my report what the board had said, it comes up with a 51-page rebuttal which in part attacks the integrity of my office, and does this by sending you the information the afternoon before the meeting and having a taxi driver send it to my office at 20 minutes to 10 in the morning and press it. I am absolutely horrified. I feel I have to urge this committee that you have no other recourse but to call these people before you and make them accountable to you.

Mrs Marland: Well, Madam Chair, I guess I'm speechless.

The Vice-Chair: No, I'm sure that's not possible.

Mrs Marland: You know, I've been here only eight years, but in my eight years I've never seen anything handled the way this has been handled. For the auditor to have to give that report that he's just given is absolutely unbelievable. I would think, Mr Duignan, that as the whip of your members you should go out and get your marching orders from the corner office and find out what it is that the government should be doing on this public accounts committee.

Since we are dealing with this correspondence which has been exclusively directed to us, and which I'm happy to give a copy of to anybody, because nowhere on this correspondence does it say it's private and confidential or only for committee members, I'm very happy to give a copy of this to the media if they would like it.

I want to say one thing on the subcommittee report, because here again is a precedent I haven't seen. For next week's meeting on the 29th—and I don't know who sat on the subcommittee for our caucus—

The Vice-Chair: Mr Tilson.

Mrs Marland: Was it Mr Tilson? Okay. It says here: "It was agreed that the government representative on the subcommittee will try to arrange for senior staff of the Workers' Compensation Board...." Will somebody please tell me since when that's a responsibility of a member of this committee? It's a responsibility of the clerk, who represents all the committee, to deal with people who are going to come before this committee. I think the very fact that the government representative is now going to be the one to try to arrange for senior staff to come to the board—

Mr Callahan: I thought they were arm's-length.

Mrs Marland: This relationship is incestuous between the government and WCB. It's not a government agency any more. Since you've taken over as the government, obviously it has a very special relationship, and that relationship is why you want to discuss an auditor's report behind closed doors. It's the reason you want to get under the carpet with information that is already in the public domain, because of your relationship with an organization that to your mind, I suppose, represents your voters.

I do not accept that the government representative will make arrangements for anyone to appear before this committee. That is the responsibility of the clerk of this committee, representing all three caucuses, so I have tremendous difficulty with that.

Still speaking on the subcommittee report for the summer recess, where we talked about health cards, we also discussed in full committee—I don't know, Madam Chair, in fairness, if you were at that meeting, but the clerk can confirm this and I think Mr O'Connor can confirm it. We agreed that we would invite the OMA and the College of Physicians and Surgeons and the deputy and other people as required. This says, "Other items as required." I think the point was that we wanted to have full flexibility when we discuss health cards, to have as many options as possible open to us.

Mr Duignan: Madam Chair, on a point of clarification—

Mrs Marland: Could I just finish without you interrupting once?

Mr Duignan: I simply say that I think that is an error, because in no way did we want to stop the OMA or anybody else or the flexibility of this committee asking anybody to appear in front of this committee or anybody making representation on the health cards, so maybe this report is in error in that aspect.

The Vice-Chair: Since the clerk was at that subcommittee, I'm going to ask her to make a comment on this.

Mrs Marland: I haven't finished. Do you want me to finish the rest of them?

The Vice-Chair: She was just going to clarify this one point and then you can continue, Mrs Marland.

Clerk of the Committee: Just on your comment on, "Other items as required," it was my understanding from the subcommittee that we might not spend the entire week on health cards and that if there was time and if the committee felt, we might schedule other items to be discussed, not necessarily health cards.

Mrs Marland: Could we make it very clear that on the subject of health cards the committee would have the flexibility of having other people on that subject?

Apart from your saying, "If there wasn't enough for that meeting, to have other items," we did talk about having people other than the OMA and the College of Physicians and Surgeons, so I think it's important for that notation to be there, because after we hear from the OMA and the deputy there may well be other people from other areas whom we want to hear from on the health cards.

1050

The Vice-Chair: Mrs Marland, I'm going to suggest that we make an amendment to that particular paragraph on health cards to say, after the words "Physicians and Surgeons," "and other witnesses as determined by the committee to make the presentations to the committee."

Mrs Marland: Yes, thank you, that would be excellent.

The Vice-Chair: Can we just see, do we have consensus on that?

Mr Callahan: Yes, agreed.

Mr Duignan: Yes.

Mrs Marland: Also, under week 2, where we talked about the Ministry of Housing, it says here one half-day tour of co-op housing project and one half-day meeting with non-profit housing groups, if possible, or a president of a residents' committee of a non-profit housing unit.

I understood when we talked about it in the whole committee that we were going to do this as a half-day; we were going to go to a location, see a project, for those people who haven't seen projects, and I've seen 27 projects; meet with somebody at a project, such as maybe the residents' committee at that project or some management people at a project. I don't mind who we meet with, but I don't think we have to spend a day out of the committee setting on this housing visit. I think that in a three-hour visit we can see a project and meet with a residents' committee, so I don't see the necessity for two half-days on that subject.

The Vice-Chair: Mrs Marland, if I am to take your comments correctly, you would like one half-day for both the tour of the co-op housing project and meeting with the tenants' association.

Mrs Marland: With respect, that is what I would like, because it doesn't take a whole morning to tour a project. Quite frankly, you can do it in half an hour to an hour at the most, if you're just looking at the physical plant.

I want to say in closing that after we approve this report of the subcommittee, I am going to place a motion that the committee adjourn until we can have either Mr Di Santo—we should actually have Mr Di Santo before this committee, since we've only had Mr King. I think at the time, in fairness, Mr Di Santo was ill in January and couldn't appear before the committee. But I think in light of what has happened this morning with this rebuttal of the auditor's report from the WCB being handed out to the committee members and excluding the auditor's office, it's imperative that before we proceed with this agenda to discuss behind closed doors the auditor's report, we invite Mr Di Santo to appear before the committee, and if he's not available, Mr King, since he's been here to deal with this subject before.

I will be placing that motion, because I don't see how we can proceed to discuss the WCB building this morning, in light of the materials that we've received, and I don't think it's acceptable for the WCB, over the signature of—well, there isn't a signature, unfortunately. I guess the contact, Peter Mueller, is their press person. This material did come to us. Even Mr King hasn't signed it. Sam Van Clieaf has signed it. Isn't it interesting that something as important as a 51-page report to this committee doesn't even carry the signature of the chairman or the vice-chairman of the board?

In any case, I feel it's a very critical issue. We're talking about a $200-million project here and we're talking about it being totally mishandled. I don't wish this committee to compound the mishandling of this project so far. I think we have to get the chairman of the board here so we can ask him about this WCB report of yesterday's date, the 51 pages, and ask him why he excluded the auditor's office from a copy of this report until 20 minutes before 10 this morning.

The Vice-Chair: We do have an extensive list here. We have Mr Phillips, Mr Duignan, Mr Stockwell and Mr Callahan. First, Mr Phillips.

Mr Callahan: Scratch Stockwell. He's not here.

Mr Phillips: I think we're still on the subcommittee report and on the order of appearing, and I support Mrs Marland's contention that we should hear first from the senior staff at workers' compensation.

What drives me to support that is the report that was issued in the last 24 hours to us. I say what I said earlier, that it leads me to conclude that the board is attempting somehow or other to influence our discussion on this report.

I go back to a comment that's in their report on page 3, "The Facts," as they call it, that the previous Minister of Labour, and that happened to be myself, was "regularly informed about the progress of the Simcoe Place project."

Well, that's just simply not the case. It was in July 1990 that I gather the board decided to look at all options—leasing, building, all of those things—and it wasn't until, I gather, October or November, when they'd already gotten 34 responses in, that they began to look at perhaps that Simcoe Place alternative.

As I think most people know, there was a change of government before that, and the thought of the Simcoe Place project being discussed with me is absurd.

That also says that, "Based on these ongoing meetings with the government, it was understood that cabinet approval was not required." That implies that there was some meeting with me where I indicated cabinet approval was not required, and I could not imagine me indicating to the board that cabinet approval was not required for the project. For that reason, I think we would find it more useful to have a detailed discussion of the auditor's report after we've heard from the senior people at workers' compensation.

Mr Duignan: There's obviously some confusion around the item in the subcommittee report for July 29. I have absolutely no control over the senior management of the Workers' Compensation Board. What I did say at that subcommittee meeting is that I would see if I could get the minister to appear in front of the committee. I have absolutely no sway over the senior management of the Workers' Compensation Board.

I also have filed a motion in front of this committee, and it's based on the fact that the Provincial Auditor has now released his report and made a number of recommendations in that report, both to the government and to the Workers' Compensation Board. Both the government and the Workers' Compensation Board have stated that they will comply with the Provincial Auditor's recommendations, but they actually need some time to do that. That's why we're moving a motion that the standing committee on public accounts return to the issue of the Workers' Compensation Board's new headquarters after the Workers' Compensation Board has reported back to this committee in 1996, as per the Provincial Auditor's recommendations in his report.

Mrs Marland: Could we have copies of that motion?

Mr Duignan: I have filed it.

The Vice-Chair: The photocopier is broken, and—

Mr Callahan: Well, what else?

The Vice-Chair: Murphy's law is at work.

Mr Callahan: Can we get it fixed, or are we on—

The Vice-Chair: I'm sorry; we've cut back in expenditures so we can't get it fixed.

Mr Callahan: Go to the WCB's new building. I'm sure they must have photostatting machines.

The Vice-Chair: The clerk will get you copies as soon as possible. Mr Callahan, what I'm going to do is I'm going to transfer the rest of the speaking list, which was fairly extensive, over to Mr Duignan's motion.

Mrs Marland: Would you put me on the list, please.

The Vice-Chair: Yes. Mr Duignan, in view of the fact members don't have a copy of the motion, could you read it one more time before we entertain discussion on it?

Mr Duignan: Sorry?

Mr Chris Stockwell (Etobicoke West): Read the motion again.

Mr Duignan: Okay, that the standing committee on public accounts return to the issue of the Workers' Compensation Board's new headquarters after the Workers' Compensation Board has reported back to this committee in 1996, as per the Provincial Auditor's recommendation in this report.

Mrs Marland: In 1996?

Ms Murdock: That was the recommendation by the auditor, as I recall.

Mrs Marland: I can't believe this.

The Vice-Chair: Mrs Marland, in view of the fact there's been a reference to the auditor's recommendation, the auditor would like to make comment. Then we'll revert to our speaking list.

Mrs Marland: And you've added me to it? Thank you.

Mr Stockwell: Can I ask the mover a question?

The Vice-Chair: I would prefer to have the auditor's comments first, and then you could ask the question.

1100

Mr Peters: The point I would like to raise is that the 1996 recommendation made in my report was merely to allow the committee to make a future follow-up on the item. The major recommendation in my report to you is actually for the committee to consider the accountability framework within which the WCB operates and to deal with that. I would consider that another important issue that you may want to deal with, and you may not want to defer that to 1996.

Mr Stockwell: Can I ask a question of the mover?

The Vice-Chair: If you can stop laughing long enough.

Interjection: No histrionics, will you?

Mr Stockwell: Gosh, no.

Mr Callahan: Try to remain calm.

Mr Stockwell: And collected. In 1996, considering what you just heard from the auditor and the fact that your motion isn't exactly what he said, could you move that time frame up, do you think?

Mr Duignan: I wasn't going to move this motion till after the briefing by the auditor in closed session.

Mr Stockwell: So this is a planned motion?

Mr Duignan: Pardon?

Mr Stockwell: You've thought this through.

Mr Duignan: I've thought this through, yes. The date stands.

Mr Callahan: Was anybody else involved with planning it through?

Mr Stockwell: There's no hope of maybe recon-

sidering the 1996 date and moving it up a year or anything like that.

Mr Duignan: No.

Mr Stockwell: Okay. I'll speak to it then.

First, I'd like to comment just previous to the motion moved. In all my years of sitting in any elected post, I've never seen a staff member have a point of privilege. This has to be a first, in my view, and I'm not condemning the staff. I think this is probably historic, because I can't recall staff being so upset and feeling so maligned that they've had to rise on a point of privilege, which I think is out of order, to put their case on the record. I think that should send shivers down the spine of the government members, that your own staff of this province is now standing on points of privileges in this committee and protecting their credentials and credibility from your assaults. It's absolutely unbelievable, in my mind. I don't think I've ever seen it.

Mrs Marland: I'm sorry to interrupt you—

Mr Callahan: I'd like to raise a point of privilege on behalf of the auditor. He's not staff of this government. He is totally independent of it. And that's the beauty of having the auditor.

Mr Stockwell: I understand that.

Mrs Marland: I have a point of order.

The Vice-Chair: Let's try to control this. Mr Callahan, that is not a point of privilege, although it was interesting. Mrs Marland, a point of order.

Mrs Marland: My point of order is this: Just to clarify where we are, we were dealing with the report of the subcommittee albeit without a motion. I said that I wished to place a motion as we completed the report of the subcommittee. I said, "I wish to place a motion requesting the chair of the WCB to appear before this committee." Correct?

The Vice-Chair: Correct, Mrs Marland, you did.

Mrs Marland: Now we're speaking to a motion that was placed after I said that. Mr Stockwell is speaking to this motion. He could speak to any of the things we've already spoken to, but I would like to know why we're now speaking to Mr Duignan's motion when I already served notice that I was placing the motion to have the chair of WCB come before us, and why we've interrupted the report of the subcommittee.

The Vice-Chair: Members can bring forward a motion if there is not another motion on the floor. There was no motion to adopt the subcommittee's report. Although you gave notice of motion, you did not actually introduce the motion at that time.

Mrs Marland: Do you know why I didn't? Because I didn't think that you would accept a motion when we were in the middle of discussing the report, so as a courtesy I said, "When we've completed this report, I wish to place that motion." That's what I think Hansard will show that I said. I didn't think it was in order to place a motion when we were dealing with the approval of the subcommittee report.

Mr Callahan: Madam Chair, on that point: It's always been my understanding that notice of motion was served as a courtesy to the members so they knew what was to be expected. That's the same in your case and the same in Noel's case. This is a very serious issue. I'd like to get on with it. Let's stop the procedural wranglings.

We've heard the auditor do something, as Mr Stockwell said, that I have never heard in the eight years I've been in this place. That tells me there's something very wrong here, that the place is out of control, that WCB thinks it's a damn-well power unto itself. They better be told that they're accountable to somebody, and certainly this legislative committee.

So I think we'd get to the meat of this, and we've only got another hour. We only sit once a week and I'd rather talk about that than procedural motions.

Mrs Marland: If I can finish my point of order, Madam Chair, the reason that my motion is important to be dealt with ahead of this motion is because this motion says the issue of the WCB headquarters—it covers everything. It means that with this government having a majority on this committee, it's about to shut us down completely and we won't be able to say anything without having heard from the chairman. That's why my motion should be dealt with first, because I want to see these government members vote down having the chairman of WCB come to this committee and explain his rebuttal of the most recent auditor's report.

So that's why, Madam Chair, with respect, I don't think that you can accept Mr Duignan's motion ahead of mine, because—I realize, being the Chair, you're totally independent—his motion will shut down the whole discussion once they pass it. I think what will happen is, when they get to speak, they'll probably call the question. So, with respect, I do think my motion to invite the chair to come before this committee has precedent over Duignan's.

Mr Callahan: It's also an independent number—

The Vice-Chair: Mr Callahan, a moment, please. Mrs Marland, the problem I have is that in this committee it has been the practice, as a courtesy, to provide notice of motion. But that has been a courtesy; it is not actually a requirement for the motion.

Because Mr Duignan's motion actually does deal with the content of the report—in fact, the report was to set the timing and how we would deal with the WCB report—it is in order. The problem that you have handed me is that although you did give notice of motion you did not put that motion on the floor at that time.

Mrs Marland: But you didn't have a notice of motion from Mr Duignan, either.

The Vice-Chair: No, but I'm saying you did not place the motion. Mr Duignan did. Notice of motion is not required. It has been a courtesy and practice on the committee, but it is not required. So, while I think you've raised a valid point, it is not a point of order in that—or let me put it a better way: Mr Duignan's motion is in order.

Mrs Marland: So I have to come in here with my motions typed up ahead of time and I can't deal with a motion as the committee flows?

The Vice-Chair: No, Mrs Marland, you would be entirely permitted to give a verbal motion at the time, write it out for the clerk, and the clerk would go and make copies of it. That would not be the problem.

Mrs Marland: Even though we were in the middle of dealing with another report with another motion?

The Vice-Chair: I'm afraid this is a technicality, because the draft agenda did deal with the WCB problem and how we are going to deal with it in the summer and how much time and what would go on in the process. Therefore, when I look at Mr Duignan's motion, it is in order because he is saying that he does not want it dealt with this summer, that he wants to delay it until after 1996.

Mr Callahan: After the election; after they're out of office.

The Vice-Chair: After the election; I wasn't going to say that. So I am prepared to entertain more debate, since we have only had one person speak to this motion. Next I have Mr Stockwell. I think Mr Stockwell had the floor.

Mr Stockwell: I got as far as commenting on the fact that the auditor had a point of privilege, which I found very curious. If I were in the government and that happened to me and I saw staff—and it's not direct staff, but the auditor—say that, that would send shivers down my spine. You people have got to start thinking here. That's got to scare you.

Ms Murdock: You're making assumptions.

Mr Stockwell: I'm not making any assumption. I heard the man; I heard what he said. He got this foisted on him at 10 o'clock or whatever this morning and was told to take it with him to this committee meeting.

1110

Now, Mr Duignan's motion is not going to stand the test. Even if it makes it out of this committee—give your heads a shake—this won't stand up today. This is a joke, "We won't review this until 1996." This won't stand the test for 30 minutes out of this room. You'll be nailed and you'll have to change this motion pronto. So take this motion and throw it in the garbage. Save yourselves a lot of trouble. Because this motion could not stand the test for the rest of the day. You people would be chopped up in a room and some dipper staffer would come in and lay it on the line and you'd come back here and rechange it. So let's get on with the motions before us.

We have a series of motions, ignoring Mr Duignan's motion that says we should not review this case until 1996. What is left? It seems to me that the most obvious solution to this problem is to get both parties here together. Ask the auditor, "If we give you a week or so, could you come back with the report on the report that you received this morning?" Ask the WCB chair, as the member for Mississauga South has suggested, to come in at the same meeting, and let's let everyone lay our cards on the table and let's examine the finer points that the auditor has brought forward and find out whether or not the staff at the WCB can defend the decisions they made.

It's reasonable. It's a fair process. That's just an acceptable process in any disagreement between auditors and departments. You get the auditor in, you get the department in, and you compare notes. You listen to them and you decide which route to go.

I don't think anything's out of order here or unreasonable. The only thing I can think, personally, is, if you are serious about this 1996 motion, what are you trying to cover up? What are you trying to hide? That's the only thing any fairminded individual could think when he or she sees a motion to defer to 1996. What are you trying to hide?

If you don't think that's a fair comment, then why, in your own minds, would you be moving a motion for 1996? Why? What possible public benefit could there be to defer this to 1996 and misconstrue the report the auditor gave as your basis for making that decision by suggesting the auditor said we shouldn't review it till 1996? That is an absolutely unbelievable, slanted approach to reviewing the auditor's report.

Chair, I suggest to you that this motion that Mr Duignan has moved is absurd. He knows it, you know it: 1996. Just throw it to the side. Let's deal with the realities of the situation. The realities are that the auditor has put a scathing report out. He's been given the response from the WCB only this morning. It would only seem reasonable that we give him a week to review it, we get both parties in in a week, and then we decide who's right.

If you don't vote for that, then you've lost all the respect from the public out there; you've lost all the respect for any fairminded individual to have a reasonable review of the public process, the public tendering process. Most of all, I say to you through the Chair, you've damaged any credibility you have with the auditor, and the auditor himself. If they're allowed to produce reports that condemn decision-making, and you sweep these under the carpet and then suggest we'll review it in 1996, you're farcical. It's just farcical that

we should reach that state in this province that we could make those kinds of decisions.

I say to the member for Middlesex as well as the others, if you truly want to get to the bottom of this issue, call both parties in and hear them out. To defer it to 1996, I say to you: What are your marching orders? What are you trying to hide? Because it's very, very embarrassing.

Mr Callahan: Since we're discussing this, I would like to move an amendment taking out the words "as per" in the motion, because that is contrary to the spirit of the motion, really, and replace them with the words "which is contrary to the spirit of."

The Vice-Chair: Well, Mr Callahan, you are actually the next speaker, and you have moved your amendment.

Mr Callahan: Okay. I'd like to move to the number one issue, as I see it, in this entire scenario. This is the public accounts committee. As has been said often, although we joke from time to time about being partisan here, we have tried and it has been the spirit of this committee to be non-partisan. We are the watchdogs of the taxpayers' dollars.

The Vice-Chair: Mr Callahan, I've just written this down. I want to just clarify before you make your comments. You would want an amendment which would lead the motion to be that the standing committee on public accounts return to the issue of the WCB's new headquarters after the WCB has reported back to the committee in 1996, which is contrary to the spirit of the Provincial Auditor's recommendation in his report.

Mr Callahan: Right. Okay. So, I'd like to go back to it. It has always been my understanding that despite some partisan cracks that are made in this place from time to time in this committee, this is one of the few committees of the Legislature where we try to do the best thing for the taxpayers of this province.

Having said that, you've got a couple of things. First of all, you've got three letters that were dropped on my desk yesterday in the Legislature kind of saying it's a great deal the WCB has pulled off here and, in doing that, they say they've become aware of the issues in the Provincial Auditor's report. In the letter from Rice Brydone Ltd and in the letter from Richard Ellis they said, "We've reviewed a copy of the Provincial Auditor's report concerning the above-mentioned matter."

Well, by golly, these people have had a chance to review it and we've only just released it to the public. I find that really interesting that the WCB has given them this so they can send these goody-goody letters on its behalf.

But to get back to the more important thing, who's in control of the WCB? Does it not respond to anybody? Is it not accountable to anybody? Can it go merrily off on its own and create its own government if it likes? Can it buy whatever it likes? Can it do whatever it likes? Can it treat the auditor like he's some sort of a fool by dropping a response to his report on him the day of the matter coming before public accounts?

That's not even equitable in any arrangement, that a person would not have the decency to give a response to a report that was considered and was done by an independent officer of this government and give him an opportunity to respond to it. Instead, what they want to do, they drop it on him at the last minute and expect that when we're in here in camera we're going to say: "Well, Mr Auditor, here's the response from the Workers' Compensation Board. What have you got to say about that?" Well, wouldn't that be neat? I guess we could say, "Mr Peters, we want an answer right now."

To me that is totally out of sight. It is high-handed; it is dictatorial. I want the people in the Workers' Compensation Board here, and if they don't come here, I'm prepared, even if you people vote against it, to ask the Chair to ask for a Speaker's warrant for these people if they don't come.

Mr Duignan: You can't do that without the majority vote of this committee. You're not going to get that.

Mr Callahan: I'm hoping I can persuade the committee that in fact we need these people here. Don't go trying to squirrel to help them out. I implore the members of the committee—although I note that it appears as though there's some concern on your part—this is a matter that deals with who's in control and are we going to let them continue to be a power unto themselves or are we going to put a leash on them. I think it's time to put a leash on them. The next thing you know they'll be getting into the tourism business or something.

Mr Duignan: Why didn't you come and do something about it in 1988 when you set up the company?

Mr Callahan: The member opposite raises the issue about our government.

Mr Duignan: That's when it started.

Mr Callahan: What I'm trying to say here is that this should be a totally non-partisan vote. If the public accounts committee does not leash the WCB and does not in fact tell them that the power is here, not within themselves, then we should abolish the public accounts committee. We should be ashamed of ourselves.

We have the auditor sitting there, and as Mr Stockwell said, in his experience and mine, and mine is longer than his, I have never seen that before. This gentleman is very careful to avoid policy issues, which is his job; his job is to make sure that we're getting value for money. I find it very interesting, and I suggest to you that if this committee cannot be non-partisan on this issue, then I'm afraid we can never be non-partisan on any issue, and it flies right in the face of the traditions of a public accounts committee.

Mr Anthony Perruzza (Downsview): You're just playing politics with this.

Mr Callahan: You drop in from time to time. Would you please let me finish? All right?

The Vice-Chair: Mr Callahan has the floor.

Mr Perruzza: Of course.

1120

Mr Callahan: This committee will lose all credibility with the public, total credibility with the public, if we in fact do not rein in the WCB.

We've got people out there who are paying the rates, businesses paying the rates under compulsion. They're upset about the rates and how they have to pay them. Can you imagine if the public accounts committee now says: "Oh well, we can't control them. We can't get the vice-chair or the chair before us, so let's just forget about it. Let's just let them do whatever they want"? Well, I'll tell you something, I think you'd find a tax withdrawal. These people wouldn't pay the WCB premiums if that happens.

There's a lot riding on this, believe me. It's not politics, because all of us are affected, and it just happens to be that you guys are in the catbird seat, but you'd better damn well not try to kill the canary while you're there. You'd better look at this in terms of a non-partisan issue and tell anybody out in the back hall or down on the second floor at the Premier's office: "Get out of my life. I am now voting as a member who's looking after the tax dollars of my constituents, not playing your game that you want us to play down on the second floor."

Mr Perruzza: Where were you when you signed the deal?

Mr Callahan: Madam Chair, this fellow came in, just wandered in at 20 after 11 and is now opening his mouth. Can I have the floor, please?

The Vice-Chair: Mr Callahan, you're quite correct. You do have the floor.

Mr Callahan: Thank you very much.

The Vice-Chair: Mr Perruzza, would you please refrain from commenting.

Mr Callahan: I can tell you that if you try to pass that motion as it is, I agree with Mr Stockwell, we will be out of here today. This summer session extension will be over. That Legislature will be so hot, it will be like the Atlanta Braves' baseball stadium; it will be on fire. The Premier will want to get out of here so fast, he'll have the biggest scrum of his life in the hallway, because in fact what you will be doing is telling the people of Ontario, "We don't care about you people"—

Mr Perruzza: They were so much on fire—

Mr Callahan: I don't believe it. Where did you come from?

Mr Perruzza: The House.

The Vice-Chair: Mr Perruzza, please refrain from commenting.

Mr Callahan: Oh, I see. Well, maybe you should go back to the House.

I can't believe the government would try to set this up, and that's what it looks like to me, it really does. I hate to say that and I hope I can persuade you members—and we've seen this happen. You members who have got a little independent thinking in terms of protecting and preserving and saving this committee—because if you try to do this setup, if you try to pass that motion and muzzle this thing, you in fact have made the public accounts committee totally ineffective and we may as well just collapse the committee, save the taxpayers some money and go our ways. What's the point?

This is not a partisan issue. The WCB has been a bugaboo to everybody. Nobody has ever been happy with them. Your staff struggles with them in terms of trying to help people in this province and they get the runaround: They can't find the file, or the file's been moved here, or it'll take six months to get the file or whatever, and here we've got them now going out and buying real estate.

Now, granted, they say they had a legal opinion, but I'll tell you something, I really find it interesting that they can take a section that is as clear as anything, I think, and turn it into the analysis they got, unless that's what they asked for when they originally did it. It's like anything else: If you ask for that and you say, "We'd like you to find a way to interpret this in this regard"—I'm just trying to find the section. The section is pretty clear. "Thou shalt not"—wait till I find it. In section 64—oh, here it is:

"Subject to the approval of the Lieutenant Governor in Council"—a marvellous term. I love that term. We should change it, though, to "the cabinet," because that's what it is—"the board may purchase or otherwise acquire such real property as it may consider necessary for its purposes...."

Well, let me tell you, a lease is real property. It's an interest in real property, particularly a 20-year lease or a 50-year lease, or whatever this is. That's equivalent to what they used to do in feudal times in England, so it is an interest in a real property. How they got that decision in terms of that not requiring cabinet approval is beyond my wildest dreams.

I think if the government had been smart, they would have said, "Well, you know, maybe we should have that tested, have a reference or something." A $200-million or a $187-million building being put up—they should have been darn certain they could do it.

If a citizen out there decided they wanted to challenge this whole thing, they could take a reference to the courts. If it turned out that they didn't have the

approval, that it was an unlawful putting out of money for an interest in real estate, we would all be in trouble, thank you.

Finally, I say to you, I plead with you, if you people intend to railroad that motion through, I'm done. I'm off this committee. I'm not going to come back and sit on public accounts, because it's a sham.

Mr Perruzza: You'll be replaced.

Mr Callahan: More than likely, I will be.

Mr Perruzza: By your party.

Mr Callahan: But I'll tell you something. I'll be able to go and tell my constituents that I didn't play politics with an issue that involved their money, their taxes, at a time when the Premier is telling people that they should cut back on their jobs, lose their jobs, cut back on their salaries, and we're sitting here and letting the Workers' Compensation Board get away with this nonsense without at least coming before us and being accountable.

If this muzzle motion is intended to do that—and I think it is, because I find it passing strange that you would come in with the whole thing typed up and that we would have an uncanny number of members here this morning in anticipation of the vote—then I really find that unthinkable. I think it's the shabbiest thing I've ever seen in politics in all the time I've been here.

Mr Duignan: That's probably something the Liberals have been telling you about.

Mr Callahan: We're not talking about Liberals, NDP or Conservatives. We're talking about the taxpayers. This committee is supposed to look after their interests, and this isn't looking after their interests.

Mr Perruzza: Actually, what I'm hearing from my constituents is that they want the work.

Mr Callahan: You're here to vote on this motion, and everything I've said thus far you haven't even listened to, because you come strolling in at 20 after 11. I have nothing further to say. I'd like us to vote on the amendment and then we'll get a reading on how the government is going to snuff this all.

Mrs Marland: There's about 10 minutes—

Mr Callahan: I'm sorry, after the others have spoken. I think we'll get an idea from the amendment as to whether or not this is going to be snuffed by the second-floor spin doctors who have decided that this is embarrassing to the government.

Mrs Marland: Okay, now we'll hear from the government.

The Vice-Chair: Thank you, Mrs Marland. I am now on my seventh list. We have three more speakers actually, Mr Phillips, Ms Murdock and Mrs Marland.

Mr Phillips: Just very briefly, I would suggest to the government members just to withdraw the motion. That's my advice, because I don't think it will stand. No one will accept that we are not going to discuss this issue until 1996, and I think you understand that. Frankly, it would be a big mistake for you to pass this motion today, because I guarantee we'll be back here reopening the issue. Mr Duignan just might want to pull the motion off the table, because let's deal with reality: This thing will not stand.

Then I think we should be moving on to what we should be doing, that is, asking the senior staff of the WCB to come in here and explain the questions we've got and the report they sent us, and then we'll hear from the auditor. In fairness to the auditor, I think that's the sequence that should take place; frankly, any other process is just unworkable.

So I'd ask Mr Duignan to withdraw the motion, let us get on to the motion that I think Mrs Marland has suggested she is prepared to move, and then I think we'll move this issue forward properly.

The Vice-Chair: Mr Phillips, I'm not sure if what you're suggesting is in the form of a motion that we deal directly with Mr Duignan's and that he withdraw it.

Mr Phillips: Just to make it simple for everybody, I would table this motion until we have heard from workers' compensation and the auditor. That's what I've moved, that we table it until we've heard from—

Mrs Marland: Could I speak to that motion?

The Vice-Chair: The clerk and I are just discussing the logistics of having a motion which defers debate on another motion which defers debate. I think that's what we're dealing with right now.

1130

Ms Murdock: Aren't we dealing with an amendment made by Mr Callahan to Mr Duignan's motion?

The Vice-Chair: That's right. We're dealing with a motion to defer debate on a matter which is being deferred and under amendment.

Mr Phillips: It's very simple. It's just to table the motion and the amendment until we have dealt with the other matters.

The Vice-Chair: So it is actually debatable, Mr Callahan, because it's only if the question is called that it is not debatable. It's whether the motion of deferment itself is in order. That's what's under discussion right now.

Mr Stockwell: You have a deferral to the deferral, is what you're saying.

The Vice-Chair: That's right. At the same time as you're having an amendment on the floor.

Mrs Marland: You can table any motion.

Mr Stockwell: The trouble is, how long can you defer? It's like a mirror looking into a mirror: "I defer, I defer. I'll defer that motion, then I'll defer your motion."

The Vice-Chair: We're discussing the question of whether the briefing would even be on, according to this particular motion. The way I would interpret this motion is that if this is passed, the public accounts committee cannot be discussing the new WCB headquarters until after the Provincial Auditor has reported, until they've reported back in 1996, so that would defer even the briefing by the auditor; in other words, we'd be asked to defer everything without even hearing from the auditor.

Mrs Marland: Can we speak to a tabling motion, Madam Clerk?

The Vice-Chair: Why not? Everything else has gone wrong this morning. You're on the list for the amendment, anyway.

Ms Murdock: I am going to be addressing this. I've been missed once because of deferrals and because of new amendments and new motions. This is the second time. I will get recognized by the Chair at some point?

The Vice-Chair: Yes, actually, after Mr Phillips from the original list, I had Ms Murdock, Mrs Marland and Mr Perruzza.

Mrs Marland: That's fine. I'd like to hear from the government.

The Vice-Chair: Let's go to Ms Murdock.

Ms Murdock: I'm not speaking to the tabling motion, though, Madam Chair, although I suppose everything else has been random and all over the place, so I might as well. I hate to follow suit, because I like to speak to point, but I think I'll probably do it and accept the recognition, Madam Chair.

I just want to remind everybody that in terms of November 1992—I've been hearing it bandied about by the members of the opposition implying that we're hiding something by not wanting the administration people here when they've already been here on two separate meeting days. Last November, it was a unanimous decision that we have the Provincial Auditor review the WCB; government members supported the motion. If you want to check Hansard, go right ahead, but I know that government members supported the motion, so it is not consistent with the coverup that is being hinted at or even blatantly stated.

Mr Stockwell: And now that we have the auditor's report—

Ms Murdock: I'm not speaking to that at the moment. The public accounts committee had two days of testimony from a number of the WCB officials, albeit, I admit, that Mr Di Santo was not one of them. The operating chair of the board was here, as well as legal counsel. We also supported that process.

The Provincial Auditor has now released the report and certainly has made his opinion clearly known. My understanding—I was only here for one of those days last January; I wasn't here for the second day—was that the mandate was to do a value-for-money audit, and that has been done. I think, even from the reading of the report, that it is indicated that there is a fair rate of return. I would point out too, at 1990—

Mrs Marland: How—

Ms Murdock: You have had more than your opportunity to speak, Mrs Marland, so allow me, please.

Mrs Marland: I just wanted to clarify—

Ms Murdock: I think being missed consistently by the members who have been speaking on this is that at that time in 1990, 500,000 square feet was required. Finding that in this city at the time, when rental was not easy—and we should all remember that, those of us who had to find apartments in this city, because we came down here and had to take what we could get; there wasn't very much. And 500,000 square feet is significant, particularly when you need access flooring, need all the kinds of things the board has stated.

However, the report has come out, and in terms of the accountability issue, which is separate and apart from the value-for-money audit—and I think that should be made quite distinct—the accountability issue can only be addressed and can only be proved as being correct or wrong in time.

I realize that the auditor has made it quite clear that they should be reporting back. The board, as I've seen from one of its letters, will report to cabinet in terms of an estimate. They've agreed to abide by the recommendations that the auditor has in this report. What are you going to do, change it now? Let's hypothetically look at this: Suppose this committee decides the WCB should not have gone through with the deal, so we tell it to stop construction.

Mr Callahan: We told them before they put it up.

Ms Murdock: When we were briefed by Dr Elgie, who was chair of the board at the time, when Dr Elgie gave us the briefing along with Mark—I can't remember his name—the vice-chair of the board at the time, I know the penalty fee at that time was going to be astronomical. Now, with construction started, it'd be well over $100 million just to stop and pay the fees, and that doesn't take into account the fact that you'd be paying lawyers' fees to try and reduce your liability for cancelling contracts; not to say anything about the number of construction jobs that would be affected in the city of Toronto. Think about it. There would be hundreds and hundreds of jobs—

Mr Stockwell: So let's not find out if we got ripped off.

Ms Murdock: In any case, the reality is that there is, in my view, no point in continuing this. I have no difficulty, and I make no apologies, for intending to vote for Mr Duignan's motion and letting them get on with the job and finally having a place in this city where 100,000 disabled workers can actually go into a

building without having to go through a back door and the garbage bags. I make no apologies to the injured workers of Ontario for this.

Mrs Marland: I'm next, Madam Chair.

The Vice-Chair: Mrs Marland, you are next on the list, and then Mr Perruzza.

Mrs Marland: Just before I respond to Ms Murdock, may I ask Ms Murdock, through the Chair, if you have read the auditor's report dated June 30?

Ms Murdock: Yes.

Mrs Marland: Because you just said that there's no question about value for money. I'd like to read you one paragraph from the auditor's report of a week ago.

Ms Murdock: Page?

Mrs Marland: It's the conclusion, page 8.

"In our opinion, there was insufficient analysis of other alternatives by the WCB to demonstrate that it is receiving good value for money by occupying and investing in the building. Analyses done were not designed to ensure that the best value-for-money option was selected."

Ms Murdock: Look at page 7, Mrs Marland: "Reasonable investment returns were obtained," in terms of the expectations. The assessment is that, "The $26-per-square-foot non-arm's-length rental paid by the WCB for 70% of the office space ensures that the investment will provide a reasonable rate of return comparable to other investments in the accident fund." And there are three partners to this.

1140

Mrs Marland: No, I only asked you one question.

Ms Murdock: Well, I've answered it; in the same report, page 7, top of the page.

Mrs Marland: Then perhaps I should at this point ask the auditor if his conclusion covers all the other comments, in fairness to the rest of the report, because in his conclusion he is saying that he has a concern about the best value-for-money option.

Also, in the WCB's material that it distributed today, under "Authority and accountability," it is criticizing the auditor where it says, "The WCB is audited regularly by the Provincial Auditor." It's on page 2 of the WCB handout.

Interjection.

Mrs Marland: Yes, the one we just got today from the WCB. At the bottom of page 2, it says, "The WCB is audited regularly by the Provincial Auditor. None of the regular audits since 1988 complained about the validity of the WCB's decision to set up a subsidiary in 1988."

I need to ask Mr Peters whether, first of all, you still hold to your conclusion on page 8 of last week's report that in your opinion there was insufficient analysis about the good value for money by occupying and investing in the building.

I'd also like your response to the criticism that your office has not commented on the decision for the WCB to establish a subsidiary in 1988. Is it perhaps, Mr Peters, because when the subsidiary was established in 1988 and any time since, until the documents were signed, would your office necessarily have known that the subsidiary was going to be used to invest in a new office ivory tower for the WCB?

Mr Peters: May I respond?

The Vice-Chair: Auditor, please.

Mr Perruzza: Is it going to be made out of ivory?

Mr Duignan: On a point of order, Madam Chair: Again, I draw attention to the fact that the committee moved a motion last week that this particular item should be discussed in an in camera situation.

Mrs Marland: I'm discussing the WCB handout of this morning.

Mr Duignan: That's in relation to the auditor's report.

Mr Callahan: That's the one that was dropped on us—

Mr Stockwell: This is absurd. This is absolutely absurd.

Mr Callahan: You know, you make it sound like a coverup when you keep interrupting like that, Noel, really.

Mrs Marland: Yes, you sure do.

Mr Peters: I'm sorry, may I answer the question, because otherwise—

The Vice-Chair: Yes, I'd ask the auditor to answer the question.

Mr Perruzza: Did you answer? Is the building going to be made out of ivory?

Mrs Marland: Of course not.

The Vice-Chair: This is new information that has been given this morning. Auditor.

Mr Peters: First, I would like to get back to the audit report. The audit report said we have an issue on the fairness of the financial presentation. They did not deal either with value-for-money issues in the WCB nor did they deal particularly with the corresponding action whether they are in compliance with all the regulations, and whatever have you, that the government has issued at that particular time.

The previous reports referred to deal strictly with whether or not the decision to incorporate a subsidiary would have influenced the financial position of the board, and certainly at that time it did not.

The fact of life is that it was only in 1992 that the Workers' Compensation Board decided to use this subsidiary for this particular investment because in fact it did not have a conflict-of-interest policy that regulated

it with respect to the use of assets for administrative purposes or an investment. That was the fact of life on that one.

The other question that I would like to raise with you is that as far as the value for money is concerned, on page 7, which was the rebuttal point, there are two very important words in there that I'd like to emphasize to you. It says "at non-arm's-length rental rate." These are not rentals that are achieved from anywhere outside the board. In other words, they did construct the rental rate in such a way that it would give them a reasonable rate of return. But this is taking money from one pocket and putting it into the other.

Mr Stockwell: Exactly.

Mr Peters: You can construct any rate of return that you wish under those circumstances.

Maybe I can take this opportunity to put one other point to rest. There is nothing in this report—we have made no recommendations to anybody to stop the building. We were asked the question merely, "Did they obtain value for money?" and that is the question that we tried to answer.

Specifically, on page 11, I pointed out the various aspects on which they are not achieving value for money, and that is true. They have gone and gotten a $100-million mortgage at 10.25%. That is a question of value for money. They have decided to go for a single building without adequate cost-benefit analysis whether that was a justifiable decision, the new building, and they have not looked after 1991 at whether other options were available to them.

That is in answer to your question. I stick by my response that there are flaws in the value for money that they have obtained.

Mrs Marland: Thank you for that response. You've confirmed what I had suggested in my question to you.

Obviously, in the letter that Richard Ellis (Canada) Inc, over the—again, Mr Philip Smith hasn't been able to have time to sign his letter either. It's very interesting that these people write these very important letters to this committee on this $200-million office tower that didn't need to be built in the first place and the consultants who write the letters don't even sign them themselves.

But I assume that they approve the content, because on page 2 of Mr Smith's letter, under item 4, and I think this is really significant on this whole issue, it says, "Cadillac Fairview took on the task of trying to obtain financing and were only able to find one group interested...." Imagine. They could only find one group interested. It may have had something to do with the fact that there was 27 million square feet of rentable space available in this city. But anyway, they "were only able to find one group interested in spite of the quality of the project..." which I'm not debating, the quality of the project; I'm only debating the necessity.

But the next part of this sentence is wonderful. It talks about "...and the security of the WCB's financial covenant and tenancy. In fact, given the amount of money involved, we believe the terms were the best available given that no other lenders were interested in financing the project."

I just think that's hysterical. If it's such a great project, why wouldn't other lenders, especially in the economy today—if this was such a good project, there would have had to be more than one lender interested in financing the project.

Furthermore, "the security of the WCB's financial covenant and tenancy"—this is the WCB that has $11 billion in underfunded liability in its pension fund.

Mr Stockwell: That's low.

Mrs Marland: We may even see it at $13 billion before the end of this year. We're talking about an organization in this province that is in debt, whether it's $11 billion or $12 billion or $13 billion. So we're talking about a comment in a letter to this committee that says what a good deal it was and—

The Vice-Chair: Mrs Marland, I apologize for interrupting, but we now have a motion, we have an amendment to the motion, and you've given notice of another motion which can't be dealt with until after these two motions. I would suggest that since we have had considerable debate, we move—

Mrs Marland: Can I just finish then?

The Vice-Chair: Certainly, if you could briefly wind up.

Mrs Marland: The written motion that I've given you is that this matter be dealt with at the next meeting of this public accounts committee, with the chair of the WCB or his designate present to answer the questions of this committee as they pertain to all the questions that are raised by the auditor and by the correspondence that we've received.

As Ms Murdock said, you can't stop the building; you're going to put people out of work. There's no debating that, but I would rather see people work in this province on a project that's needed, not on a make-work project for something that isn't needed, that isn't affordable and, most importantly, is not value for money, as decided by the auditor of this province.

We forget that the auditor is not a member of any political party. The auditor is answerable to the public in this province. As far as I'm concerned, when the Provincial Auditor says that the WCB building is not value for money and that there are questions that have not been addressed, that there are analyses that have not been done, frankly, I think it's deplorable that your government signed the deal to go ahead with this project and that this project is in fact being built and, to use your own words, this building cannot be stopped.

1150

Interjections.

Mrs Marland: Excuse me, I don't wish to shout above my own members on this committee.

The fact remains that today the people of this province are paying for a building that should never have been built. Frankly, when your Premier sees this motion this afternoon, you're really going to be in big trouble because I can see what fun your Premier's going to have defending a motion that says: "We won't talk about it for three years. It's a done deal. Let's not discuss it for three years. Let's forget all about it. It's been a mistake. We can't reverse it. Let's leave it where it is."

For me, this is not good enough.

The Vice-Chair: Mrs Marland, thank your for your comments.

Mr Callahan: I'd like to withdraw the amendment I have and place a new amendment, if I might.

I move that the motion on the floor be amended by striking out the words "return to" in the first line and replacing them with the words "not delay dealing with" and adding to the final line after the word "report" the following words, "as to do so would be contrary to the spirit of his report," so that the new motion would read "That the standing committee on public accounts not delay dealing with the issue of the WCB's new headquarters after the WCB has reported back to this committee in 1996 as per the Provincial Auditor's recommendations in his report, as to do so would be contrary to the spirit of his report."

I submit that, Madam Chair. I don't think I have to speak to that, but I would urge you to think about it because people are going to look at this and say to themselves: "Who's in charge of the shop? What's going on down there?" I think that's the real crunch of the issue. It has nothing to do with politics at all. The crunch of the issue is, who controls the WCB? Are they accountable to anybody? Are they accountable to the public accounts committee? I think they are, but they don't think they are, apparently.

I think that's the message we have to get home loud and strong to the WCB, that they're not a kingdom unto themselves, that they don't have the right to build anything they darn well please, particularly when they're doing it, as my colleague said, with money they don't have.

I suggest you vote with us on this, lest we send a clear message to them, "Well, you guys aren't accountable to anybody."

The Vice-Chair: Mr Callahan, I apologize for interrupting. Mr Perruzza, since he has not had an opportunity to speak, said he would like two minutes to respond, and then I'd like to go to the vote so that we can do it in the time limit.

Mr Callahan: Sure; go ahead.

Mr Perruzza: Thank you very much for the opportunity. I'm going to support this motion. I don't see it as a gloom-and-doom amendment. I don't see it as something that ties this committee or the government or the minister, or anybody else for that matter, in opposition or otherwise, from being able to address this particular issue in the future in a formal forum in any way. This committee could simply bring another motion in its next session and deal with this in some other way.

I'm going to support the motion simply because I guess when I first heard of the Workers' Compensation Board building and some of the gloom and doom that was put forward by some of the people in the Legislature, I thought, is this one of the labels I want to wear on my lapel when I go to election time?

As every member, you look at some of these issues and then you inquire and you ask questions and you probe and you explore, and the rest of it. The reality is that, quite frankly, this particular deal, as was explained to me—and obviously you can extract basically whatever information you like; that's becoming more and more clear all the time—is basically a done deal, and it's very difficult to go back or to alter it. I don't know whether I'd be supportive of, for example, procrastinating on the jobs that this particular building is going to create.

I ask the question as to whether or not it would be worth going back and speaking to people like the vice-chair, like Wilson, like the former chair of the board, and in some cases I suspect it would even be worth going back into the deals like the Dome, for example. That's something I'd really like to look at in terms of value for money and otherwise, the kinds of things that went on with that. We can do those kinds of things, and I guess to some degree I would be supportive of that. I'd be supportive of going back and looking at Darlington and the way that decision was made. To some degree, some of these things are probing issues and they're questions that people should at some point ask, look at Darlington and the $16 billion or whatever it cost to build that facility and say, "Jeez, did we get value for money, and did the province have money at that time when they made that decision or did the province have money when the Dome was approved?"

So I'm going to support this motion, and I don't see it as a gloom-and-doom, die-tomorrow motion if it carries. I think what it says is, look, let's stop playing politics with this issue; let's move on because there's a lot of other business that this committee needs to deal with as well, along with this very important issue. If we need to bring it back in future at any point in time, then the committee has the power to do so.

The Vice-Chair: We're going to move directly to Mr Callahan's amendment. I'll ask the clerk to read it out.

Clerk of the Committee: Mr Callahan moves that the motion be amended by striking out the words "return to" and substituting the words "not delay dealing with," by adding the word "until" after the word "headquarters" and by adding the words "as to do so would be contrary to the spirit of his report" after the last word, "report."

Mr Callahan: Does that make sense?

The Vice-Chair: Perhaps if I can read Mr Callahan's writing, I'll read this over. It would therefore say, Mr Callahan's motion is, "That the standing committee on public accounts not delay dealing with the issue of the WCB's new headquarters until after the WCB has reported back to this committee in 1996 as per the Provincial Auditor's recommendation in his report, as to do so would be contrary to the spirit of his report."

Mr Callahan: Recorded vote.

The Vice-Chair: All in favour?

Ayes

Callahan, Marland, Phillips, Stockwell.

The Vice-Chair: All opposed?

Nays

Cooper, Duignan, Frankford, Murdock (Sudbury), O'Connor, Perruzza.

The Vice-Chair: Now we will move on to the main motion. I'm sorry, I have to declare that the motion was lost by a vote of six to four.

Mr Callahan: Isn't that a surprise? I'm really surprised at that.

The Vice-Chair: We now move on to Mr Duignan's motion, the main motion, which is, "That the standing committee on public accounts return to the issue of the WCB's new headquarters after the WCB has reported back to this committee in 1996 as per the Provincial Auditor's recommendation in his report."

Did you want a recorded vote on this as well?

Mr Callahan: Can I have just a moment? I'd like to confer with my colleagues. We're entitled to 20 minutes to gather up members, as I recall.

The Vice-Chair: Mr Callahan is asking for unanimous consent for one minute instead of 20.

Mr Callahan: I ask it on behalf of my colleagues.

Mrs Marland: They'll only move it next week.

Mr Duignan: Could I make a suggestion that since it's 12 o'clock we defer it as well until next week?

Mr Stockwell: No, let's move on. They want to defer it. Let's go. I dare you to pass this.

Mr Callahan: I'm asking for 20 minutes, as we're allowed under the rules, to get sufficient of our members here to vote on this very important issue.

Mr Stockwell: No, I want them to pass this one.

The Vice-Chair: Mr Callahan has moved a 20-minute recess.

Mrs Marland: I'm going to be at the Premier's scrum this afternoon to try to understand why—

The Vice-Chair: Will you allow the Chair to speak, Mrs Marland? Because it is 12 o'clock—

Mr Perruzza: Can we recess till next week?

The Vice-Chair: First of all, we'll ask if there's unanimous consent for the public accounts committee to continue at 12:20, after the 20-minute recess.

Mr Perruzza: Actually, we have to go back in the House for a vote now. It's 12. The bells are going to go off.

Mrs Marland: Excuse me, the Chair has just asked us a question.

The Vice-Chair: Agreed? Okay. The public accounts committee will reconvene in 20 minutes in this room.

The committee recessed from 1201 to 1225.

The Vice-Chair: The public accounts committee is back in session. Just very briefly, before we go to the vote, I want to clarify an issue which was raised earlier. Mr Phillips had made a motion to defer and to table a motion in the middle, and we weren't quite certain whether that was in order. We have checked with the table upstairs and they said that if there is a motion for deferral it is not in order unless there is unanimous consent. So we did not vote on it, it was inappropriate, and I apologize for not being up on the rules to know that at the time.

Mr Callahan: You won't get your nominal salary, whatever that is.

Mr Stockwell: Point of order.

The Vice-Chair: Point of order, Mr Stockwell.

Mr Stockwell: So then we've just reconvened to simply vote on the motion before us.

The Vice-Chair: That's right.

Mr Stockwell: There's nothing left—if the motion carries, it's over. If it doesn't carry, then we'll go into the subsequent motions before us?

The Vice-Chair: Well, Mrs Marland did give us notice. I believe the Chair has the copy of the motion—

Mr Stockwell: That's why I want to know.

The Vice-Chair: —but she had a further motion, which I had referred to earlier, that we would be doing three votes. One was on the amendment, the second on the main motion and the third was on Mrs Marland's motion. Have those been distributed? Could I ask the clerk to distribute those so members can have a chance to read them before we vote on them, and then we will go to the vote.

Mr Callahan: They call for the abolition of this committee, or what?

The Vice-Chair: I will not be entertaining debate on

Mrs Marland's motion, since we did adjourn simply to take the votes on the various motions.

Mr Stockwell: Okay, the other question I had was, considering that Ms Marland isn't here, can I be considered moving the motions in her place if they're not in order? They're in order, though, I take it, even though she's not here.

The Vice-Chair: The motion appears to be in order.

Mr Stockwell: So are these just the two motions we have before us, the government motion and the Conservative motion?

The Vice-Chair: Just one moment; I want to confer with the clerk.

We are going to deal with Mr Duignan's motion and then, following Mr Duignan's motion, Mr Stockwell may read Mrs Marland's motion into the record and then I will make a ruling on whether it's in order at that time.

Mr Stockwell: Okay, and just for a point of clarification from the auditor, could I ask him—and this is a point of clarification on the motion before us—what this motion that the government has moved means with respect to his ability to report out in future—

Mr Duignan: We're in the middle of a vote, Madam Chair.

Mr Stockwell: No, I understand that. I just wanted a point of clarification from the auditor to ask—

Interjection.

Mr Stockwell: Then I ask for unanimous consent. All I want to know—

The Vice-Chair: Is there unanimous consent that Mr Stockwell get clarification? No.

Mr Stockwell: You don't even know what I want to ask.

The Vice-Chair: Mr Stockwell, there does not appear to be unanimous consent. Once a vote has been called, it is not possible to debate it.

Mr Stockwell: I understand. I just was hoping that they would allow me a brief question of the auditor to find out what this means with respect to him reporting on the WCB construction in the future, that's all.

The Vice-Chair: We will now vote on the motion by Mr Duignan that the standing committee on public accounts return to the issue of the WCB's new headquarters after the WCB has reported back to this committee in 1996, as per the Provincial Auditor's recommendation in his report. I think we actually already decided it was a recorded vote.

Mr Stockwell: Which motion is this?

The Vice-Chair: This is Mr Duignan's main motion that was debated this morning, and we're now going to call the—

Mr Stockwell: Which is contrary to the spirit of—

Ms Murdock: No.

The Vice-Chair: No.

Mr Stockwell: It's a great example of the kick-it-under-the-carpet motion. I just want to make sure. So this is the kick-it-under-the-carpet-for-three-years motion.

The Vice-Chair: All those in favour?

Ayes

Cooper, Duignan, Frankford, Murdock (Sudbury), O'Connor, Perruzza.

The Vice-Chair: All those opposed?

Nays

Callahan, Phillips, Stockwell.

The Vice-Chair: The motion is carried.

Interjections.

Mr Perruzza: The press is outside, so if we're done, Madam Chair, I move adjournment.

The Vice-Chair: No, Mr Perruzza. We have one more motion.

Mr Callahan: Madam Chair, point of order: I've noticed that Mr Perruzza has moved in place of another member. Do you have a sub slip for Mr Perruzza? Is he a voting member?

Interjections.

Ms Murdock: Mr Perruzza is a regular member of the committee.

Mr Callahan: Oh, I see, okay. I just thought I'd check into that.

The Vice-Chair: Mr Callahan, Mr Perruzza is a regular member of the committee and there was a substitution for Mrs Mathyssen earlier in the morning.

Mr Stockwell, would you move the motion on behalf of Mrs Marland?

Mr Stockwell: Okay, is this motion in order now, or is it contrary?

The Vice-Chair: Make your motion now.

Mr Duignan: You have to move it first.

Mr Stockwell: Oh, I'm sorry. I thought it was.

I move that the chair of the WCB or his designate be requested to appear before the public accounts committee at the next meeting of this committee in order so the committee members and the auditor may question the July 21, 1993, response from the WCB and the consultants' letters on the subject.

Mr Perruzza: I'd like to amend that the motion be tabled.

Mr Stockwell: You can't move an amendment now, Tony. You just ruled me out of order, for heaven's sake.

The Vice-Chair: Mr Stockwell, I have conferred with our clerk and the Assistant Clerk of the House, and they have said that this motion is in order; that in fact the original motion which was just passed by Mr

Duignan says that the standing committee return to the issue after the WCB has reported back to the committee in 1996. It does not preclude the committee dealing with the issue prior to 1996. That is how the table has interpreted this.

We've had a request for a recorded vote.

Those in favour?

Mr Callahan: Do you people want to caucus?

Mr Perruzza: No.

Mr Callahan: Okay, you don't have to caucus. It's been pre-arranged. How about that?

Mr Stockwell: What do you mean, "No"? You don't want to hear any more about this?

The Vice-Chair: Mr Stockwell, please. The vote is in progress.

Those in favour?

Ayes

Callahan, Phillips, Stockwell.

The Vice-Chair: Those opposed?

Nays

Cooper, Duignan, Frankford, Murdock (Sudbury), O'Connor, Perruzza.

Mr Callahan: This is outrageous, absolutely outrageous. This is worse than Watergate now.

The Vice-Chair: The motion is lost. This session of the public accounts will be adjourned.

Mr Phillips: How is the committee now dealing with the auditor's report?

Mr Duignan: We're not. You killed it.

Mr Stockwell: It's lost. It's dead. You say, "Just kick it under the carpet."

Mr Duignan: You wouldn't let us accept the subcommittee—

Mr Stockwell: You've kicked it under the carpet. Don't tell me. You kicked it under the carpet. Don't try and blame it on me. If you want a coverup, tell everybody—don't blame me. You just voted for a motion that said: "Kick this under the carpet. We don't want to deal with it. It's too bloody embarrassing."

Mr Phillips: How is the committee planning to deal with it?

The Vice-Chair: Mr Phillips has a question: How is the committee to deal with the WCB issue because of Mr Duignan's motion and the fact that—

Interjection.

Mr Phillips: Yes, I assume it's to deal with the auditor's report and WCB have given us its interpretation of the auditor's report. When and how are we dealing with that issue?

Mr Callahan: It's part of the subcommittee, isn't it? Or is that still the subcommittee?

Mr Perruzza: Madam Chair, they can raise it any time they want. That's how we deal with it. Gerry, you can bring it up any time you like in future. Bob can bring it up any time he likes. Chris, despite his grandstanding, can bring it up any time he likes.

Interjections.

The Vice-Chair: Order.

Mr Phillips: Madam Chair, Mr Perruzza said we can bring it up any time. The committee just rejected the chair of WCB coming and that was rejected, so that when we tried to bring it up to deal with it, the majority members voted us down, so you cannot say we can bring it up any time and then when we bring it up, reject any opportunity to discuss it. This is really a travesty. Any objective person looking at it can only conclude—

Mr Perruzza: On a point of order, Madam Chair: Where are we on the agenda?

The Vice-Chair: Madam Chair rules that the agenda is shot to hell, Mr Perruzza. I think at this stage, because Mr Duignan's motion has passed, that the steering committee will have to decide what to do with the rest of the agenda for the summer.

Mr Perruzza: I see. So can we move adjournment now?

The Vice-Chair: Mr Perruzza moves adjournment.

Mrs Marland: I would like to speak, Madam Chair.

Mr Perruzza: Okay, I move adjournment, Madam Chair. I don't think that's debatable.

Mrs Marland: I already instigated—

The Vice-Chair: I will put the question, shall we adjourn? All in favour?

Mr Callahan: Is this called ramrodding, or is this called, "We control the committee"?

Interjections.

The Vice-Chair: This is not a recorded vote. All those opposed?

Mr Callahan: Why don't we just abolish this committee?

Mrs Marland: Are we having a recorded vote on adjourning?

The Vice-Chair: No, nobody called for it.

Interjections.

The Vice-Chair: The motion is carried six to four and the committee adjourns.

The committee adjourned at 1237.

CONTENTS

Thursday 22 July 1993

Workers' Compensation Board P-107
Subcommittee report P-111

STANDING COMMITTEE ON PUBLIC ACCOUNTS

Chair / Président: Cordiano, Joseph (Lawrence L)
*__Acting Chair / Président suppléant:__ Callahan, Robert V. (Brampton South/-Sud L)
*__Vice-Chair / Vice-Présidente:__ Poole, Dianne (Eglinton L)
*Duignan, Noel (Halton North/-Nord ND)
Farnan, Mike (Cambridge ND)
*Frankford, Robert (Scarborough East/-Est ND)
Hayes, Pat (Essex-Kent ND)
Murphy, Tim (St George-St David L)
*Marland, Margaret (Mississauga South/-Sud PC)
*O'Connor, Larry (Durham-York ND)
*Perruzza, Anthony (Downsview ND)
Tilson, David (Dufferin-Peel PC)

**In attendance / présents*

Substitutions present/ Membres remplaçants présents:
Cooper, Mike (Kitchener-Wilmot ND) for Mr Farnan
Mathyssen, Irene (Middlesex ND) for Mr Perruzza
Murdock, Sharon (Sudbury ND) for Mr Hayes
Phillips, Gerry (Scarborough-Agincourt L) for Mr Cordiano
Stockwell, Chris (Etobicoke West/-Ouest PC) for Mr Tilson

Also taking part / Autres participants et participantes:
Mazzone, Vincent, audit manager, special assignments branch, Office of the Provincial Auditor
Mishchenko, Nicholas, director, Office of the Provincial Auditor
Peters, Erik, Provincial Auditor

Clerk / Greffière: Manikel, Tannis

Staff / Personnel: Smith, Cynthia, director, Legislative Research Service

CA2ON
XC21
-P72

Publications



P-10

ISSN 1180-4327

Legislative Assembly of Ontario

Third Intersession, 35th Parliament

Assemblée législative de l'Ontario

Troisième intersession, 35e législature

Official Report of Debates (Hansard)

Tuesday 7 September 1993

Journal des débats (Hansard)

Mardi 7 septembre 1993

Standing committee on public accounts

Comité permanent des comptes publics



Annual Report, Provincial Auditor, 1992
Ministry of Health

Subcommittee report

Rapport annuel, Vérificateur provincial, 1992
ministère de la Santé

Rapport de sous-comité

Chair: Joseph Cordiano
Clerk: Todd Decker

Président : Joseph Cordiano
Greffier : Todd Decker

Published by the Legislative Assembly of Ontario
Director, Hansard Reporting Service: Don Cameron



Publié par l'Assemblée législative de l'Ontario
Directeur, Journal des débats : Don Cameron

Hansard on your computer

Hansard and other documents of the Legislative Assembly can be on your personal computer within hours after each sitting. Sent as part of the television signal on the Ontario parliamentary channel, they are received by a special decoder and converted into data that your PC can store. Using any DOS-based word processing program, you can retrieve the documents and search, print or save them. By using specific fonts and point sizes, you can replicate the formally printed version. For a brochure describing the service, call 416-325-3942.

Index inquiries

Reference to a cumulative index of previous issues may be obtained by calling the Hansard Reporting Service indexing staff at 416-325-7410 or 325-7411.

Subscriptions

Subscription information may be obtained from: Sessional Subscription Service, Publications Ontario, Management Board Secretariat, 50 Grosvenor Street, Toronto, Ontario, M7A 1N8. Phone 416-326-5310, 326-5311 or toll-free 1-800-668-9938.

Le Journal des débats sur votre ordinateur

Le Journal des débats et d'autres documents de l'Assemblée législative pourront paraître sur l'écran de votre ordinateur personnel en quelques heures seulement après la séance. Ces documents, télédiffusés par la Chaîne parlementaire de l'Ontario, sont captés par un décodeur particulier et convertis en données que votre ordinateur pourra stocker. En vous servant de n'importe quel logiciel de traitement de texte basé sur le système d'exploitation à disque (DOS), vous pourrez récupérer les documents et y faire une recherche de mots, les imprimer ou les sauvegarder. L'utilisation de fontes et points de caractères convenables vous permettra reproduire la version imprimée officielle. Pour obtenir une brochure décrivant le service, téléphoner au 416-325-3942.

Renseignements sur l'index

Il existe un index cumulatif des numéros précédents. Les renseignements qu'il contient sont à votre disposition par téléphone auprès des employés de l'index du Journal des débats au 416-325-7410 ou 325-7411.

Abonnements

Pour les abonnements, veuillez prendre contact avec le Service d'abonnement parlementaire, Publications Ontario, Secrétariat du Conseil de gestion, 50 rue Grosvenor, Toronto (Ontario) M7A 1N8. Par téléphone : 416-326-5310, 326-5311 ou, sans frais : 1-800-668-9938.

Hansard Reporting Service, 481 Legislative Building, Toronto, Ontario, M7A 1A2. Phone 416-325-7400. Fax 416-325-7430

STANDING COMMITTEE ON PUBLIC ACCOUNTS

Tuesday 7 September 1993

The committee met at 1407 in the Humber Room, Macdonald Block, Toronto.

The Chair (Mr Joseph Cordiano): Members of the standing committee on public accounts, we will come to order to deliberate on the matters before us. I trust that everyone has a copy of today's agenda before them. Before we move to the scheduled items for today, a copy of the report of the subcommittee will be coming to each of you. That lists a number of items we agreed to deal with in the two weeks before us. We will have that shortly and we can review that, and any questions about the subcommittee report can be entertained following our deliberations today.

ANNUAL REPORT, PROVINCIAL AUDITOR, 1992
MINISTRY OF HEALTH

The Chair: Let's move right into the agenda item we have before us. Today we have the Ministry of Health, Deputy Minister Michael Decter, before us. Welcome to the committee.

Mr Michael Decter: Thank you very much. It's a pleasure to be back.

The Chair: I understand that you have a number of people with you. Are they going to be introduced at this time?

Mr Decter: I think perhaps I could introduce them at this time. Maybe they could just stand up so you know who they are: Patricia Malcolmson, assistant deputy minister of corporate management and support; Peter Burgess, director of our registration program branch; Bryan Brown, the manager of the analysis unit in the registration program branch; Larry Stump, the project leader for our Ontario drug benefit project team; Fred Hazell, the executive director of our information systems division; Bob Cavanagh, director of systems support branch in ISD, and Doug Grasse, director of user support in ISD; I'll let Bob Cavanagh introduce two other individuals on his staff when he gets to the demonstration. We also have Karim Amin, director of our audit branch, and Ahsan Sadiq, director of central region claims payment operations. The people not on my list are Gilbert Sharpe, someone who probably needs no introduction to a group of legislators, and David O'Toole is over at the slide projector.

The Chair: Thank you very much. Today's subject falls under section 3.10 of the Provincial Auditor's report, the health registration system. Obviously, you're going to elaborate and bring us up to date about what the ministry has decided to move forward with in that regard. I will leave it in your capable hands to use the time as you deem necessary, and if you think it necessary to have questions asked at the end, I know all members would like to ask questions and if permitted would ask some questions at the end.

Mr Decter: I'm very pleased to have the opportunity to be here. When I was last here in February the then Chairman suggested making me a permanent member of the committee. I'm not sure that I'm yet ready for that.

The Chair: How about a regular guest appearance?

Mr Decter: A regular guest appearance might be something.

This is obviously an issue of great concern. I guess the first thing I should say is that in the scheme of things there's no group as eager to eliminate fraud in the health system as those of us who work in the Ministry of Health. We have rather more demands on our resources than we have resources to meet those demands, and therefore anything that's helpful on that front is very appealing to us.

There has been a lot of activity since February, and I thought what I'd do is walk through that. I did mention Mr Cavanagh earlier; we have brought along a couple of the pieces of technology that we're introducing into the system so that you can actually see what they look like and how they work rather than taking our word for it.

I think we take a broad view. I know it has been the case that there's been a tendency to label this issue, at least publicly, as health card fraud. I think that's an oversimplification. Our view in the ministry is that we're concerned primarily with financial management, that fraud is not just something related to the health card: that we have fraud that is related to the health card and we also have behaviour by providers that is fraudulent, we have a whole category of what we would term inappropriate use or inappropriate utilization of the system, and then we have some issues around the bills going to the right place, both the third-party bills and also the federal-provincial bills or the federal bills. There's a tendency to pull it all in together, and I want to be careful today to try and separate those issues because they have different remedies, in our view.

I think you have the package, but let me walk you through the background and give you a little overview of the presentation: first, the events leading up to public accounts; second, a summary of recommendations from the Provincial Auditor's report; third, an overview of financial management in the ministry; fourth, financial control measures; fifth, fraud control actions; and sixth, our agreement with the OMA which was recently arrived at.

First, on events leading up to public accounts, I probably don't need to remind this committee, but I will anyway, that we have followed, as a ministry, a number of reports from the Provincial Auditor.

The 1987 report was the one that underscored the concern with the family-based OHIP number and the reality that at that point there were 25 million numbers, if you like, outstanding, about two and a half times that of the population; I guess a little bigger than that.

In 1989 was the elimination of OHIP premiums.

In 1990, individual registration begins.

In 1991, health numbers were required for health services. I think this is a very important point to underscore. We had worked for almost two decades significantly on the honour system, without much concern for directly linking the possession of a card or a number with one's eligibility for service. It's been since the new registration that we've been able to draw a much tighter link between eligibility, your card, your card number and services.

In 1992, the registration program branch was established. The Provincial Auditor identified concerns with the registration system. We were here in February setting out some of the directions we were going. We received—I have to look at the date—I believe in March, the registration analysis project, the project completion report. I believe that's been provided to you.

I can take you back to the auditor's report of August 1992. Just to reiterate the Provincial Auditor's finding: "The new individual-based registration system is the cornerstone of the ministry's plan to reshape Ontario's health care system. Without effective controls over the accuracy and completeness of registration information, the province's investment is at risk." I agreed with that statement at the time and I still do. Our efforts have gone to ensuring that the investment is not at risk and enhancing the accuracy of the system.

Let me say that there are two opportunities here, if you think about it. One is at the point of service, where an individual, eligible person or ineligible person, is seeking to have some health service. The other is at the point of registration. Again, I think we need different approaches and are proposing different approaches there.

Just to look at the auditor's comments specifically, the first comment was that we had based, as a ministry, the re-registration or the registration on, to a significant degree, previous OHIP information to verify eligibility. Our response at this point—when I was here last we were not as far along in thinking about a photo card; I believe my minister in the House in July also said we hadn't taken a final decision.

We have taken a decision to add a photo to the card and to move to a renewal cycle. We're not yet there on all of the security features of the new card—and I'll come back to that—and the cabinet has not yet been presented by our ministry and minister with a full set of recommendations. I will say on that that we're going to take a little time and make sure we've got it right and that we've consulted the leading people in this field, both in Canada and internationally, before we move ahead on the photo card.

Other criticisms raised:

A lack of formal processes to update deaths: We have instigated an exchange with the registrar general.

"Update addresses" I think is, at the moment, our biggest weakness in the registration program. We have the possibility of exchanges and we have an address communication campaign, but it's fair to say of the information we have on each individual that the address is much more likely to change than the gender or the name, and therefore keeping the address linkage, developing it, is quite important.

There was criticism that we had made a slow start in investigating the accuracy of data. We've done a good deal of work there to accelerate that. The reports you have I think underscore that.

The next point was a very live point when I was here last, and that was the gap between the number of registered persons and the population of the province. On that side, Statistics Canada revised its estimate of the population of the province. I'll come back to that issue, but essentially we were reducing the number of eligible numbers by our work on removing people who were deceased and so on, but the major impact since February was that Statistics Canada decided there were significantly more people in this province living and eligible than it had previously felt.

Finally, insufficient controls: We're working on this both on the short term, in terms of tightening controls, and also with the photo card and a renewal cycle.

Let me step back to the overall issue which I spoke to at the beginning, because I think it's important for the committee to understand that reducing fraud, while important, is only one aspect of dealing with financial management of the health care system. It's an important element, I think it's fair to say it's one that has caught the public's imagination, and clearly a number of the provider groups have become quite vocal on this subject. I will say, although it's not been the happiest issue, in some sense, for us as a ministry, that we welcome greater attention to this, that we're hoping that that greater attention will lead the 300,000 people who work in the health care system to become our allies. I believe the OMA agreement is indication that one of the major groups is now willing to roll up its sleeves and help us solve this issue.

1420

The utilization issue needs to be tackled in a different way. This is not an issue of ineligible people accessing the system; this is an issue of eligible people for a

variety of reasons—some consumer behaviour, some provider behaviour—excessively utilizing the system. We're tackling this with a public education campaign. We've chosen some test sites for the campaign. We have the cooperation of the medical profession, other providers. This is really a matter of dealing with the reality, for example, that the number one reason people visit a doctor in this province is the common cold, even though it's not something that doctors can, by and large, do very much for. So we're looking at how to convince people not to go to an emergency room when that's inappropriate, not to rush to the doctor when they have a self-limiting illness.

On the provider side, the institute that David Naylor heads, the Institute for Clinical Evaluative Sciences, which I spoke to when I was last here, has started to produce some very good research work which we're hoping to see translated into a change in provider behaviour.

Finally, the whole area of supply, and I know this has been an issue with some turbulence publicly, but if you don't have the system scaled to the right size, and the nature of the system we have put too many physical resources out there, there's a tendency for them to be used, and in that sense if we don't get the number of providers right, don't get the system built to the right scale, we are also not managing the resources.

So there has been some blurring of the edges between fraud and overutilization and we think both are important issues to tackle, but they have significantly different approaches. I guess it's overall worth noting that after a period of quite rapid growth from really the inception of medicare but certainly through the 1980s, the ministry budget pretty much tripled, we've had a plateauing of growth in recent years and a greater concern with allocation of resources.

Again, just a note on the financial controls: We have a very active internal audit group which Karim Amin heads and which does a good job of recovering funds. These are not funds that have been fraudulently obtained; these are funds that are the result of overpayments. They recovered from labs, nursing homes, hospitals, just under $8 million in the last fiscal year. There was another $20 million of unspent money. In some cases we advance funds and audit to find out whether they've been needed for the purpose. We have also had some recoveries through the medical review committee from physicians, and you will know that we have a bill before the House to expand the medical review committee. The auditor noted in 1990 in his report that because the size of that committee was set in statute and hadn't changed for almost two decades we had a bottleneck in our system and a three-year backlog. The amendments to the Health Insurance Act in Bill 50 would allow an increase in the size of that committee, allow us to clear up the backlog and, frankly, to increase our recoveries in that area.

We also have three areas where we have a great deal of money that is not paid out based on thresholds and rules we have in place—thresholds in the case of physicians, lab discounts in the case of labs, and medical rules in the case of OHIP—so there is in excess of $200 million of pre-payment controls.

Let me turn now to the fraud control actions. Just to note them, we have had 193,000 cancellations of eligible numbers; 182,000 are deceased persons, so our major progress has been getting that aspect of the system cleaned up. There have been also investigations of eligibility and duplicates. A major step forward for us was to establish a new unit. It just came into existence recently to look at fraud. I think there it's important to underscore in a sense how important it is for us to do our investigative work with some professional guidance. The point of the unit isn't that people in the program areas can't identify suspicious billings or potentially fraudulent billings, but for us to get convictions we need that evidence to be gathered in a manner that is sufficient to the test of the courts.

We have retained Lindquist, a major forensic auditing firm, to give us some advice on both where the loopholes may still be and also how we should link our investigative unit to various police authorities. That's going to be very important for us to have those linkages so that we get prosecutions. I make no criticism of police forces, who are stressed in terms of their resources, but there has been less emphasis on, I think, what would be seen as white collar or victimless crime than on some other forms of crime. In our view, it's not at all victimless. Someone who steals from the health care system is in fact stealing from ill people and elderly people in need and that, to us, is an extraordinarily savage assault on the quality of life here.

We have reporting. We have a toll-free line. We have had some amount of business on that toll-free line. I think we've captured some amount of media interest on the issue, and that's led to a greater amount of reporting than we'd had previously.

The investigative unit will give us the ability to do something with that suspected abuse in a way that we hadn't in the past. We have had some charges laid, frankly, just recently, in a Kingston case.

I won't go through the nearly 100 pages of the agreement with the OMA. I will say that it does represent a new partnership between the ministry and the OMA. Embedded in the agreement are a number of things we'd intended on the card front.

The major achievement is to get the physicians, who after all are at the front line, to retrieve and return invalid cards to the ministry, and we're going to also have a pilot process on fraud. In our discussions with the OMA, their concern was protection for their mem-

bers, protection so that they wouldn't be violating confidentiality in making a report, and also insurance that we would be able to provide them with timely information.

In terms of current status, a number of items here. I won't read the list; I'll just plunge in.

On the registration reconciliation: I spoke to one aspect of it. If you think about it, there are really two aspects to this. The first is, how close does our eligible persons list conform to the population of the province? As I say, we spent a great deal of time in February on that issue and our mission there is to have the same numbers of cards as there are eligible people in the province.

With the revision of the population by nearly 600,000, as of June 1, 1993, we are now within 100,000 of the population estimate, and I think you can see on a chart that we've closed that gap significantly. This was, I think, at one point, if one remembers numbers, the 1.4 million gap that is now down to something on the order of, if you look at those numbers, 100,000.

1430

The second part of this whole reconciliation process was to look at a large number of specific areas where we might be vulnerable to fraud, and that's what's reflected in the registration analysis project report. So there are sort of two sides to it.

I will say also that the upward adjustment of the population is not simply an academic point for us or a point related to this. There were significant federal moneys that flowed to the province as a result of the recognition of the larger population, including some winning of debates by the province on temporary residents and some other long-standing issues that Ontario has sought proper compensation for.

I don't know if at this point I should ask Peter Burgess to come up and maybe we could look at briefly the verification activities, because I value his expertise on it and, if we do a careful walk through, it may help on some of your questions.

Maybe, Peter, you could walk people through the detail of the verification activities just so they're clearer. That's the chart that's up there on verification.

Mr Peter Burgess: Surely; let's try. We've done, within the verification unit, a total of fractionally over 4,000 relatively detailed investigations. We actually timed, over the space of a week, a number of different investigations that we were looking into. The average—and like all averages, it's somewhat misleading perhaps to talk about averages, but the average is in excess of three hours to do each one of these. If you get really lucky, you can do one in about 20 minutes; if you get really unlucky with some very difficult names, spellings and so on, it can end up taking weeks.

We've done a whole series of investigations with the 17 people in the verification unit that are primarily handling these investigations. We have to date cancelled some 2,300, and that's about, as you can see, a 52% ineligible rate.

I hasten to add that these are started upon based on a number of factors. Either we will have sent out some sort of verification letter and have had back either no answer or answers that lead us to want to find out more information. They may be based on tips, phone tips from next-door neighbours, phone tips from friends of the family and so on.

We also looked through our activities with Immigration Canada at some number of individuals that had been deported. We were not getting notice of deportation at the time that the deportation was taking place through Immigration Canada. We set up a pilot, and through the auspices of Immigration Canada here at the airport in Toronto we are now getting notification of certain individuals over a pilot period that they are deporting. We are then able, of course, because clearly the individual is no longer resident in the province, to cancel coverage at that point.

In terms of border residents, we've again, by mail, done a survey of some 21,000 border residents, primarily in the Windsor area, although there are others, but primarily Windsor. We have had a variety of interesting returns, to say the very least, and we've cancelled, as a result of the information provided to us, 43 coverages of the individuals who self-confessed to be residents of the US.

In addition, we've decided that if mail is returned to us we will cancel coverage, so the number you see there of 23% is as a result of getting no response from the individuals who were being asked to complete the survey.

Duplicates elsewhere: The deputy has given a number of duplicates that have been removed from the system. We have processed what we term "easy to find" duplicates. It's actually a misnomer; it only means they're somewhat easier to find than others that are very, very hard to find. We scan our database, all 12 million entries on the database, and we look for a match based on name, sex and date of birth, with two different health numbers. We then look at those health numbers to see in fact if they are being utilized. We then process again through the verification unit either a cancellation to one of that pair of numbers or we do further investigation. We have some 22,000 in the pipeline.

In terms of the death notifications, as the number says, we've processed in excess of 182,000 which we've cancelled. These are exact matches with the data that are sent from the registrar general. Unfortunately, the data the registrar general sends is, in many cases, not suitable to match against out database: Our database operates based on name, sex and date of birth; in many cases, the information on the registrar general's file only

has date of death and does not have date of birth of the individual. That means we have a certain number, some 25% of those we receive on a regular basis, that we have to further investigate. On a regular basis, again speaking in averages, we get about 10,000 death notifications from the registrar general on a monthly basis; about 2,000 of those are required to undergo further investigation by the analysis unit, again a relatively time-consuming operation.

Mr Decter: There's just some further detail in a number of pie charts on that giving you an idea; for example, on the registrar general death notification, just under 70% are a system match and you have some that are a manual match and a few go on.

Mr Burgess: If I may, Deputy, the interesting number there is not only the 13,000 that are manual and matched; it's the 30,000 that have been manually looked at, reviewed and, unfortunately, not able to be matched against our database. That means, in most cases, that the individual who has since deceased was not registered with us at the time we registered the population between 1990 and 1991. They are in the hopper as 29,900, a backlog of 30,000 any way you look at it.

Mr Decter: If I could move to, in terms of current status, changes to the health card—

Mr David Tilson (Dufferin-Peel): Mr Chairman, we appear to be going through this presentation in sections. I'm wondering if it would be more useful to ask questions after each section is finished, as opposed to waiting for the end.

The Chair: I leave it up to the entire committee to deem what is its desire in how to proceed. I think that could be useful. We have the deputy back tomorrow, and we could proceed in that fashion. We don't necessarily have to deal with the entire report today; we could deal with it in stages. That's one suggestion. I want to get opinions on that.

Mrs Barbara Sullivan (Halton Centre): Frankly, I would prefer to have the deputy walk through the system with his officials, because I find that already several questions have popped up from Mr Decter's comments which have led to either further questions or eliminated other questions in the second presentation. From my point of view, I think we could narrow our questioning or expand our questioning more readily if we have the full presentation today and, if Mr Decter is generous enough with his time, tomorrow, to ensure that we have adequate opportunity to go at him.

1440

Mr Jim Wiseman (Durham West): Sounds good to me.

The Chair: I am tempted to proceed in that fashion, more or less, but if there is consensus to do something else, I would entertain it. Otherwise, we'll proceed in the way we're proceeding: You would go through the entire presentation and whatever time is left over, we could use for questioning, and if not, we'll move into tomorrow's session as well on the same basis.

Mr Decter: Just to speak to that briefly, I think we can get through the presentation with still a good deal of time today for questioning. I understand that I'm with you tomorrow morning. Tomorrow afternoon I'm up against an airplane flight towards the end of the afternoon but we've sort of organized it so that staff will be here if there are further detailed questions. In the member's words, you will have plenty of time to have at me, but I think we may be able to answer some questions by doing the presentation and that may give you more focus to where you want to go at us.

The Chair: Perhaps we can proceed.

Mr Decter: Changes to the health card: We don't see the photo card moving directly from the current situation. We are going to try and squeeze as much additional benefit out of our existing investment as possible. Just to remind members of the committee, one very constructive suggestion when we were here last was that we move to a full legal name, and we have done that. We have also looked at putting expiry date and the version code, actually indicating that it is a version code, to eliminate confusion; as the slide indicates, we're ready for that as of later this month.

On the subject of the version code, as you'll recall when I was here in February, we had just indicated to the profession that they would have to resubmit in cases where the claim was against an ineligible number. We have since February rejected 5.7 million claims with a value of $105 million. Before people think that's a saving, the vast majority of those claims were successfully resubmitted, often within the same billing cycle, with valid numbers or with correct version codes. It has had the, we believe, positive impact of getting the health number and the health card into the interaction at the point of service, and we believe we have effective control through this of the 1.7 million inactive cards.

We've also eliminated the payment for claims against inactive cards. The graph shows—our view was that there would be, as you'd expect, a big blip at the beginning and then a fall-off; I think I'd use the percentage 3%, and it has in fact come off to about that level. This is not something the profession was very happy with because it has meant some additional work on their side, but we have tried to help them.

Perhaps I could ask Bob Cavanagh to fire up our little demonstration over here and let me speak to automated verification systems—or it might be safer to let Bob speak to automated verification systems. Just a general comment: Frankly, we do want providers, whether hospitals or pharmacists or physicians, to make sure that what they've got is a valid health number and an eligible person at the point of service. We also don't want to make that solely their problem, so we've been

looking at automated verification systems on a pilot basis as a prelude to moving forward on a system basis. We are committed to having technology in 50 hospitals—that would be about a quarter of the hospitals—next year and 50 more the year after. If it works well, we certainly may go faster than that. With that, let me ask Bob Cavanagh to take you through the technology.

Mr Robert Cavanagh: Basically, we're going to show you two different pilot systems that we're running today. We've been running these for the past couple of months. We're in the process of evaluating them right now and we will hopefully find the things that we want to change on them and finally get them rolled out into production use.

Mr Robert V. Callahan (Brampton South): I presume we're going to be looking at that. I wonder if my colleagues opposite could maybe move down a bit or move out so we can see it.

Mr Cavanagh: The first demonstration is totally audio, and then perhaps we can shift around and get it available.

The Chair: As the visual becomes apparent, we'll make arrangements for that.

Mr Cavanagh: There are two approaches taken by these pilots. One is using what's called interactive voice response technology. It's very simple for the health care provider to use, as all that's required in the remote location is a touch-tone telephone. We're going to be demonstrating that for you. It's aimed at the provider who has a relatively stable practice, does not have the need to check every health card that passes through the practice, but every once in a while has some new patient they wish to verify.

The second pilot uses card swipe technology similar to what's used in credit card verification, and it's aimed at the higher-volume use, definitely hospital emergency rooms being the most obvious example, but many of the larger clinics that have perhaps a more volatile patient base will opt for this approach. Both have their place in the final solution, so we're not evaluating one against the other; we do believe that both have their place.

In actual fact, what we're demonstrating is really one and the same. It's the same transaction back into the registered persons database. We are simply putting different front ends to access it, which is appropriate for various types of medical practices and locations.

The system you're about to see is using components that are already in use in government. We tried to piggyback as best we could on what was available, minimizing overall costs.

The interactive voice response system: I'm going to have it demonstrated first by Kevan Malden, who's one of the developers of the system. The voice you're going to hear from the automated system is actually the other developer of the system, who isn't here today. Kevan, would you like to give us a demonstration of the system?

Audio presentation.

1450

Mr Kevan Malden: It does seem sort of complex with all the keys. I'll go through another one that I'll do fast as you get used to it.

Now it's actually doing the query. It'll go to the database and look.

This obviously hadn't planned on getting this far, but—this is sort of always going to happen. Because it's live, because we didn't go with the test side of this, this is going to happen to me. We're going to try this again. What I'll do is I'll do a number that actually exists this time.

Does anybody need to see another one? I can do another one if you'd like.

I'll just hang up on it.

Mr Callahan: Will anybody be getting busy signals while he's doing that one? How many accesses to these are you going to have?

Mr Cavanagh: Right now there are four simultaneous ports and they're being expanded. Part of the work on the pilot is to determine just how much usage the average provider makes of this so that we can do the kind of provisioning studies that need to be done to determine how many ports will have to be available.

Mr Callahan: Because any of the 1-800 numbers that have been instituted, constituents tell me they can never get through to the thing; they're constantly busy.

Mr Decter: There is a call abandonment rate problem with many government 1-800 lines, the health one as well; they're hard to get through to. I just note the reason for doing the pilot was to get the scale right.

This is not the only source that providers have of updating their records. We've been sending back with the monthly remittances for two and a half years now a listing of all of the eligible and ineligible numbers so that an alternative route for physicians—for example, someone who's turned 65 and they've got it showing as ineligible—is to have their nurse phone Mrs Jones and say, "Please bring in your new health card or give us the new number over the phone." So there's also a feedback loop in terms of the billings.

Maybe we should show you the swipe reader. It's a little quicker as a technology.

Mr Cavanagh: Just to complete the IVR portion there, needless to say we'll be making some revisions to it. I think you could all see areas where you could trim down such a transaction, but in actual fact, the quick survey we've done of the providers who are using the system has had quite positive feedback on it and virtually no comments about the verboseness of it. I think the system is designed to prompt you to the nth

degree and then allow you to bypass that prompting as you become more familiar with it.

We'll move on to the swipe reader that will be demonstrated by Dawn Ritchie. Dawn, are we connected to the—

Miss Dawn Ritchie: We're just going to be dialling up here.

Mr Cavanagh: The system right now is using the government network, where we dial into it from the public network. It's not a production-ruggedized approach. It's certainly not something we would roll out to a large number of sites. The three hospitals that are currently participating in this pilot are dialling into it first thing in the morning and then they leave it connected and they can operate through the day with it.

We're just in this process of getting this connection in place now. Dawn will identify herself to the system, go through our security controls and then we'll be ready to run the demonstration.

While we're waiting here for the service to be initiated, what we're actually demonstrating here, visually, will be something that would be duplicated in the final production version. What we're working on actually is a better network connection which will be much simpler and much more cost-effective to roll out to the hospitals and to other providers.

Are we ready, Dawn?

Miss Ritchie: Yes, we're ready. We've got our screen up here. Basically, I'm just going to take your average health card and swipe it through the card reader. It's going to pick up the health card version code combination from the card and process a query. In this particular case it was yes, the health card version code combination is valid or is okay. We're back now to our main screen, ready to swipe the next card. It happens very quickly, and yes, the health number version code combination is okay.

Mr Cavanagh: We have about a half-second delay time in the processing of the transaction. The rest is the time it takes to move the data through the wires.

Miss Ritchie: In case your card is invalid or the health card number version code is invalid, then of course we get the message back that no, the combination is not okay. Then we're ready to do our next query.

Mr Cavanagh: The answers to these questions are very simplistic and are a result of some perhaps reticence, initially, and concern about freedom of information. I think a lot of that has been resolved now and our production version will probably give a little more useful information, perhaps indicating to the provider the reason why the health number and version code are not valid, which may be of some further help to the provider in resolving the difficulties.

Thank you, Dawn.

Mr Decter: The other technology we brought along is our point-of-service terminals, which are more likely to be what would eventually roll out. I don't know, Bob, if you just want to hold them up.

Mr Cavanagh: Yes. Perhaps David could do it over there. In the eventual system that we're designing, it's designed to be used from both this type of terminal—you can just pass two of them around. I have three units that we've just borrowed from several vendors who are very eager to get our business. The two that are coming around are examples of Visa-like terminals that could be programmed to operate with our system. The third one, which you can actually go around and play with a little bit, is a smart phone that has a touch display on it. It would be capable of much wider use in terms of health Encounter information collection. They range in price from a few hundred dollars to about $1,000, so they're not terribly expensive in terms of today's technology.

Mr Callahan: How much?

Mr Cavanagh: The smart phone, I understand, in quantity, would be under $1,000 each.

Mr Callahan: I notice that's an American company. Is it made here in Canada?

1500

Mr Cavanagh: I don't believe that any of this is made in Canada at the moment, to my knowledge. These are just examples that we could bring along just to show you. We're not particularly recommending any one approach here. As a matter of fact, probably the approach we advise for most providers would be to put the card reader on their own internal office systems and have those systems connect in to make the query, and that way their records get updated at the same time they're doing the query through to us. Everything we're doing on the production system is designed to work that way, so you'll have a range of options from connecting computer-based systems that are there already back in to making a query or using one of these standalone devices, at the choice of the health care provider.

Mr Decter: The other end of this is automating the billing system itself. On the fee-for-service medical provider's side, we have achieved a bit of a milestone. After I guess a decade of this being an issue, the government took the policy decision about a year ago that there would be a 50-cent-per-claim charge for submitting paper claims as opposed to machine-readable input. At that point, if my memory's correct, we were down around 70-something percent of the claims coming in machine-readable. That's jumped, not surprisingly, with the charge, and as of the end of last month we were around 95%.

There are several advantages to that: (1) We have an enhanced accuracy. There were far more errors on the paper claims than on the machine-readable. (2) We had a good number of people in Kingston doing keypunch

and we were able to not have that allocation of staff.

The next step here is to move to a direct file transfer which would speed up feedback. Essentially, this is a process of allowing the billings to come in machine-readable and feedback to go back to the provider.

The other big piece of this, and I'm going to ask Larry Stump to speak to it briefly, is that we're into the implementation phase of an automation of the Ontario drug benefit program that is wiring all of the pharmacies into real time, which will have some significant benefits not just for the drug program, but for our ability to cross-link to the rest of the database. So maybe, Larry, if you'd like to—

Mr Larry Stump: I have overheads. Can I talk to them?

Mr Cavanagh: Sure, why don't you do that.

The Chair: Perhaps you could be seated and someone could assist you in changing over from one seat to another. That way you could be heard right into the record.

Mr Decter: Just to give you kind of global numbers here, the drug program this year will be about $1.2 billion in spending as against physician claims, which will be down to about, depending on how we do, somewhere between $3.7 billion and $3.8 billion. For the ministry, after hospitals and doctors, the drug program is our third-largest area. The second-largest area is fee-for-service billings.

Mr Stump: I guess I have to say I am as nervous as a cat. I figured that I'd have probably another year or so before I got invited by the Provincial Auditor to appear before this committee to tell you what a good job we did in 1993. But I welcome the opportunity to bring you up to date on what we're trying to achieve and some key areas that we think we've done some innovative work in.

The Chair: We'll make that a date now and set a time for it.

Mr Stump: I'm not sure whether, by the end of the presentation, you'll ever invite me back, because you might not be able to get rid of me. I get very excited about the project and I will tend to ramble. I'm based in Kingston, and I'm planning to go home after this meeting, so if I'm not breaking protocol too much, then I would invite you to interrupt and ask questions as I go through the foils, and I would be glad to expand as much as you'd like.

The Chair: On points of clarification only, I might add.

Mr Stump: You mean I can't sell all day long? I guess many people are calling it the network system, and as much as we'd like to call it the Ontario drug programs project, to set a focus on it, the first phase is largely to deal with community pharmacy. As time passes, we expect to get involved with the hospital association and with the OMA in terms of prescriber information. So our focus over the past 18 months has been on community pharmacy, and what we're trying to do—and our first partner was brought in early in the project, and that's the computer and telecommunication services division of Management Board secretariat. So we're working very closely with them on the telecommunications aspect.

We've gone out to tender and had a very exciting exercise in doing that and acquired some private sector participation to put in the adjudication system and help us with implementation of the system and the network. Some of the things that we're trying to do to get up to the 20th century. Our existing system is as old at the medical system, about 20 years old, and it's not doing much in terms of improving our efficiency or the quality of care. That's something that we believe very strongly, that automation can do that, and I think that we've been encouraged over the years by both the OMA and the OPA and many people in health care to work on the drug situation because it's a fast-growing expense and it's also a very dangerous product that we're dealing with. Many seniors are not only helped by drugs; they're also hurt by overuse of certain products because of a mix of services provided by different physicians that nobody is completely aware of.

So what we're implementing is an on-line adjudication system where, if you're serviced by the Ontario drug benefit program, for example, and you go into the pharmacy, you'll present your health card, they'll swipe it or key it as they see fit, they'll enter the information regarding your prescription, the prescription number, the quantity, the drug that's being dispensed at the time, and it will travel over the telecommunication system to the ministry's house computers, where it will look up, verify the eligibility of the person for the particular drug, the program that they're eligible under, will check against prescription history and make sure that there's no potential drug interactions based on other products that are currently being taken by that individual. So we're doing the adjudication, the drug interactions.

At the same time as dealing with the point-of-service system, we're also building a much more flexible management structure to identify where our $1.1 billion is being spent, whom it's being spent on, whether it's being spent appropriately, whether the right people are getting the right medication at the time. There's a lot of work going on in my boss's office in the drug reform secretariat, to look at drug use review and determine with all of our partners in health care in hospitals and medical associations and pharmacy, what the right regimens are for drug therapy. The new system will give us an unheard-of ability to do some of the analysis that Peter Burgess has talked to you about in terms of registration on a very massive database. We process 42 million claims annually for the Ontario drug benefit

program for drug use review activities. I guess five years is considered a normal amount of data to retain, so we're talking about 240 million to 250 million records that we'd have to examine to do proper analysis.

For some of the studies that they would like to do longitudinally, they're talking about 25 years' worth of data to really look at it properly. So we're looking at enormous databases that make our registered persons database pale in comparison, but we're also looking at new technology in order to be able to deal with those data.

We're registering new network users and have a strong emphasis on access and security and our audit branch is working very closely with us to make sure that we don't make any mistakes in that area. I think one of the questions I heard a little earlier was about government 1-800 numbers, and we as well are implementing a dedicated help desk. We're expecting that we're staffing at the correct level to make sure that we have an abandonment rate that is tolerable by pharmacy because we will have a customer standing on the other side of the pharmacy counter, waiting to get their drugs, and presumably, they're sick at the time.

1510

Mr Decter: If I could just underscore that, the big advantage of this system is, it's going to be in real time. You will go into a pharmacy with your prescription. They will test your eligibility in real time while you're standing there. So it's going to allow us to have information there at the point of service in a way that we really haven't had in this program in the past. It also gives us significant benefits in terms of—if you think about it, the group covered by ODB, particularly seniors, are the group that use the largest amount of health services in the province, so it gives us a second database, if you like, on those individuals. Sorry to jump in.

Mr Stump: That's okay. Please jump in when you think it's helpful.

One of the other things that I don't have on the slides is, we are going to try to help out with collection of address updates for the registered persons database for the population that's served by the Ontario drug benefit program. The Ontario Pharmacists' Association has agreed on a voluntary basis to provide that data. They do collect it at the store level right now as part of the prescription drug act. It requires them to keep a current address, and they've offered to share that with us, which is most helpful.

To put the program into context, we've got, I think, a $1.1-billion program right now. Over the past 10 years, the costs have been rising at 20%, and I don't think that's sustainable in the current economic situation, nor is it desirable. The $1.1 billion is the government's share of pharmacy in Ontario. I think the entire retail pharmacy or community pharmacy business is about $4 billion to $5 billion a year. That includes their over-the-counter products and other miscellaneous merchandise they sell.

There are 2,500 independent businesses that the government deals with, scattered in every corner in the province, from large centres to very, very small ones. There are probably close to 50,000 people working in the community pharmacies, so we're going to have an effect on 20% to 25% of their business at least, and it will be very dramatic on not only the business but also on their staff, training. We'll talk a bit more about that later.

There are about 2.5 million people covered under Ontario drug benefit programs, and that's including the senior citizens as well as social assistance recipients. But 6.7 million have third-party or private insurance, and I'll tell you why we've introduced that topic when we get to the next foil.

This is one that I'm going to have a hard time talking to from here. At the top—I still like to dance around—of it, you'll see that we've identified either third-party adjudicators or major third-party insurers who are covering that population of 6.7 million. We've partnered with this group, which represents essentially all insurers who offer coverage in Ontario or Canada for drug packages, to share network facilities so that the pharmacy, one of those 2,500 businesses, doesn't have to deal with a multiplicity of people to update their computer systems in order to deal with the Ministry of Health and then to deal with Green Shield or Shared Health or any one of the people up at the top.

So one of our objectives early on, when we sat down with the OPA, was to reduce the complexity at the pharmacy and to reduce the complexity in establishing an electronic link-up, not only with the Ministry of Health but with other insurers. So we're pretty excited about getting everybody on board.

We will represent 40% of the claims submitted electronically. The private sector marketplace has about 15% of its claims coming in electronically now. They expect, as a result of the penetration, to increase that, either at least double and perhaps as high as four times in the next two to three years. They also expect to move most of their business to an electronic format. So they'll be joining us in terms of re-engineering their businesses so that at point of sale not only is the public coverage checked but the private coverage will also be available. They're helping us out with the cost of implementation on this, so we're very excited in terms of making some of our cost savings targets.

Down below the cloud, which I guess is a commonly accepted diagram for a network, and to the right you'll see a box labelled a Propharm processor. There are actually four groups that have decided to set up their own private network to service parts of the pharmacy community, parts of the 2,500. There are Propharm,

Krollnet, the PIN network and Big V Pharmacies. So for strategic business reasons, they said: "Well, we don't necessarily want to use a government network. We would like to set up a network to service our customers. We believe that we can add services to that network that are exciting to pharmacy and also create new business opportunities for the software developers and network companies." A Propharm example is wholesale drug ordering: In their network they'll be able to order their drugs electronically through an EDI-type facility from a drug trading company.

Equally, they've said any person who's on the ministry network or any other network will also be able to use that service. There's an opportunity for them to build new services and deliver them to pharmacy because of the magnitude of the project. Anybody who cares to can also join a ministry or a government network, which is the left-hand side.

I see some puzzled faces, so I'm more than welcome to answer questions. I sometimes go too fast.

I guess the message I was trying to pass out there is that the ministry in this endeavour is working not only with the OPA, with the 2,500 businesses; we have a number of pharmacy chains that we've been working very closely with; we have software developers. There are approximately 40 software developers that have to change their systems to work with the ministries and with the private insurers, and there are about 10,000 people out there who are going to have to be trained to interact with this system.

One of the most exciting things that we found is that all of these people working together can find a solution that provides a big win for government—we're achieving the objectives we set out to do; a big win for pharmacy—they're solving some of their business problems in terms of dealing with insurers, some of the technical complexity; and the insurers themselves are also being able to re-engineer their businesses, and we hope to be able to deliver that at less cost than we had originally anticipated.

The Chair: Mr Wilson had a point.

Mr Jim Wilson (Simcoe West): I guess a point of clarification is, the government has committed $72.5 million to this system, and the deputy mentioned in his remarks just a few minutes ago that, really, you are establishing a second database. I assume you're here today to tell us how your database fits in with the health card database.

Mr Stump: It's not a second database. I guess where we exchange data between the two databases, for example, because of our link with the pharmacies, we'll be collecting the address updates, passing them on to the registered persons database and we'll populate our database from the registered persons database.

One thing that we want to be careful to avoid is a duplication of data maintenance procedures, because as soon as you have two they're going to get out of sync and then we'll be back here in another year's time saying, "Why does this database say this and that says that?" So we're being very careful to make sure that we have a single flow of data.

Mr Decter: I should have said "second system" or "point of service" rather than "database." I'm not as good on the technical end of this as I ought to be, but it does give us that second source of information, but as Larry's pointed out, not to develop a second, standalone database. We will have one eligible persons database.

1520

Mr Jim Wilson: Okay, thank you. Secondly, what exactly does the pharmacist key in? The health card number or the senior—

Mr Stump: It depends. If you're a senior citizen, you key in your Health 65 card number, the version code, if it exists, as well as the data related to the prescription. If you're a social assistance recipient and there's a health number available, you key in the health number. If there isn't a health number available, then you key in your MCSS drug benefit eligibility number.

The Chair: Ms Sullivan, a point of clarification?

Mrs Sullivan: I don't know if you're going to call me out of order, Mr Chairman, but frankly I see a bit of a convoluted process here, an overlap. With not having first eliminated the senior citizen number and the Comsoc number and simply adding a new file to the health card number, in fact you're going to create more problems ultimately than you will solve, it seems to me. Why was the decision not to use the health care card number as the single number for eligibility for all other programs, whether it's the ODB or whether it's—

Mr Stump: The goal is to use the health card number, and I guess in circumstances where the Ministry of Health can control it, that's exactly what we do. With the Ministry of Community and Social Services, then at times somebody I guess who's in dire need of social assistance, doesn't have a health card for whatever reason, it's 5 o'clock on a Friday afternoon, they've just come from a physician, perhaps, with a sick child and they say, "We need to get drugs; we have no money," the Ministry of Community and Social Services issues a card on the spot. I guess the Ministry of Community and Social Services generally wants to make sure that the worst-case scenario is avoided.

We've been working on a project basis with MCSS to try and get them to convert. It's not a simple undertaking, because you not only have the provincial social assistance plans; you also have municipal social assistance plans. Getting them to change all of their computer systems when funding has been cut back is not easy. It's going to take time. We've identified it as a goal. I think Peter Burgess's branch, registration programs

branch, has taken the lead to work with the Ministry of Community and Social Services to come up with a better way of doing it. And no, I don't think we're satisfied with it either. It's what happens today, and all we can do is try to work to improve it.

Mrs Sullivan: Have you, by example, started to add a new file on the senior citizen cards with the health card numbers?

Mr Stump: We have the seniors registered on the registered persons database today, and that's the source of data for this system as well.

Mrs Sullivan: Then why do they continue to receive a different number and a different card?

Mr Stump: Oh, when they turn 65?

Mrs Sullivan: Yes.

Mr Stump: That will stop. There won't be a reason for it when this system is put in place. Right now the card itself is a way to identify to pharmacists that you're eligible for drug benefits. With the introduction of the system, there'll be no need to issue a new card when you turn 65.

Mrs Sullivan: That's right. You'll just have a new file number on the health card.

Mr Stump: It'll be the same card, the same information on it, but as soon as it enters the system, because of the on-line real-time adjudication, we'll look up and say, "Yes, this person turned 65 a month ago and therefore is eligible."

The Chair: It will be automatic then.

Mr Stump: Yes, it'll be automatic. We'll be eliminating some of the work, and no, there won't be a second card issued any more.

Mrs Sullivan: So the problem then will continue to be the Comsoc duplicate cards.

Mr Stump: Comsoc is an area that I think we all recognize we have to work on.

Mr Decter: I should just say that the government has released a discussion paper on reform of social assistance and in there there's active internal discussion of separating health benefits from social assistance. Exactly how that'll be accomplished is not yet decided, but the government's general policy direction is to try and not have—one of the barriers now to getting off social assistance is that you lose your eligibility for drugs and that creates a barrier, particularly for single mothers with children, who face a big risk to their coverage for their children. So we're in active discussion.

From our point of view, we'd like to run the whole health benefit system with integrity based on a single number, but getting there isn't as easy as waving a wand because we have to contend with the other values that are at play in different program areas. But I expect that as part of the sorting out of health benefits and probably moving the health benefits to some other basis, perhaps income testing rather than having an abrupt you're either eligible or you're not, we will hopefully get that resolved.

We didn't feel we could wait on automating the drug program. We've had the senior citizens' consumer alliance telling us that overmedication is frankly killing seniors. This system will very rapidly deal with that in real time because the pharmacist will be able to know what other prescriptions that particular senior has received.

The auditor has been very direct in pointing out cases where individuals have had multiple prescriptions filled on a fraudulent basis. At the moment we don't have the ability to stop that at the point of service; we have to do it after the fact, and that's a lot harder. So we felt we needed to move ahead on this and bring the two together down the road.

Mrs Sullivan: I want to go further into policy issues associated with this later on, but the only other question that's of a technical nature is, are the mail-order drug suppliers also included in this network?

Mr Stump: They're simply another pharmacy.

Mrs Sullivan: They're considered as community pharmacies.

Mr Robert Frankford (Scarborough East): I probably should know the answer to this, but there must be a significant number of people who are permanently disabled who are receiving free drugs who are under 65. What do they get at the moment?

Mr Stump: I'm afraid I'm not going to be able to answer a lot of the details on that. There are specific programs for long-term care agencies, for home care; there are a variety of subprograms, if you will. In some cases they get the full formulary; in other cases it's restricted to I believe the drugs that are needed to get them out of hospital and keep them at home.

Mr Frankford: But say someone who's retarded who's on tranquillizing drugs or insulin or whatever. There must be people who are permanently on medication.

Mr Stump: I'm afraid I'm over my head here.

Mr Decter: If there's one place where our health system unfortunately replicates the American, it is on drug coverage for people currently in the province who are not over 65 or on social assistance. Here there are real, if I can call it this, massive different eligibilities in programs. We pay for certain drugs under the special drugs program. Under the Health Insurance Act and the Canada Health Act we of course pay for all drugs while you're in hospital. When you get into the outpatient setting, it genuinely is not really run on the same basis as the rest of the health care system. That's why we're out on a major reform looking at how to deal with it. People have private coverage, they have employment-

based coverage. So in kind of miniature, it replicates President Clinton's dilemma of, how do you get coverage? We have people in the province who have catastrophic illness and are not covered for drugs. That's not something that I'm very proud of. That's something we're working to address. But at the moment the answer is not a very clear one and it would depend on your specific connection to the system and your age and whether we pay for that particular drug or not.

Mr Frankford: Just one comment. You could envisage a time when the health card would link in through the pharmacy to either the whole formulary or a specific range of drugs.

Mr Decter: Yes.

Mr Frankford: But we're not there yet.

Mr Decter: No, we're not there yet, but our intention is to use the single health number for all programs and it is certainly to get a better linkage of need and benefit in terms of drug programs. We see the automation and the network as an essential piece. You can't do anything without it, really.

1530

Mr Stump: I guess to add on that, the system has been designed so that you can tailor the program down to an individual drug or an individual person or an individual situation. So the government will have I guess an awful lot of flexibility to establish the programs that are most appropriate and affordable.

The Chair: For purposes of planning the rest of the time that's available to us, could I get an indication of the length of the rest of the presentation so that we may at this time make ourselves aware of how much time will be available for any questioning today? Otherwise we will probably have to do that tomorrow. It was my intention to go till about 4 o'clock today, and we're scheduled for tomorrow at 10 o'clock. We can go a little beyond 4, 4:30, shall we say?

Mr Larry O'Connor (Durham-York): To 5 o'clock?

The Chair: Okay, 5 o'clock it is.

Mrs Sullivan: How about 6? What time does he catch his plane?

Mr Decter: That's not till tomorrow.

The Chair: There's still tomorrow. You have all day tomorrow, let's not forget.

Mr Wiseman: So we'll go to 2 tomorrow afternoon—just keep going.

Mr Decter: As you may be aware, I've been in some long meetings in the last few months.

I think I can get through the rest of the presentation in perhaps 15 to 20 minutes, if I make the assumption that there's going to be a lot of questions on the registration analysis report and that perhaps I don't have to go through it in exhaustive detail. We do have an update to that report that we could probably get in your hands today. That might again address some of your questions.

The Chair: We have the rest of the day tomorrow for questions.

Mr Tilson: On that chart, as well as some of the areas that were being pursued, is access to information. From the way you've described this, there will be companies, pharmacists, staff who work for pharmacists, all kinds of people who will have access to what in the past has been termed confidential information as to what people are taking for prescription and other relevant information. Isn't that a problem?

Mr Stump: I'm glad you asked that question.

Mr Tilson: I'm glad I asked it too. I hope you'll be able to enlighten us.

Mr Stump: We've asked ourselves that question an awful lot in the past year and dealt with it in many ways. We've been speaking with the freedom of information commissioner and are very sensitive to that one.

With the private insurers, the data that flow between the private insurer and the pharmacist the ministry will never see.

Mr Tilson: No, I'm talking about the clerk who works in the drugstore.

Mr Stump: Okay, I'm going to carve pieces out till we get down to what the ministry's relationship with the pharmacist would be, if that's all right.

We're not involved with the private insurers. They're just using the wires that we put in place. What happens between the private insurers and the pharmacist is something that we're not in control of. That's a relationship between those two business entities. I believe they're all going to follow the same standard format from the Canadian Pharmaceutical Association. Version 3 of the format I think is where everyone is heading.

In terms of the ministry's relationship and the public data that we hold and keep very confidential, very, very, very, very limited information is being provided to the pharmacists. In the CPA standard format in terms of drug use review, we will accept the data they provide us which they currently provide on a claim. So we're not collecting new data. We will feed back to them an acknowledgement of that claim data as well as a payment of that.

In terms of the drug use review and when we get into drug therapy, what we will feed back is that the drug that is currently being dispensed may have an adverse reaction with another drug, and we'll name that drug, that is currently being consumed. So we will be providing to the pharmacist the fact that the patient they're currently servicing may react badly to the drug and end up in hospital or perhaps dead.

So what we're asking pharmacy at that point, and

we've got the support of the OPA on this position, is to have the pharmacist discuss the situation with the patient to make sure that those drugs are still being taken, talk to the prescriber or to other prescribers if that patient has been visiting multiple doctors for different diseases.

We're not providing any personal data other than the fact that this particular drug may be taken, and it's a situation where your health is at risk and it's being provided to somebody who's covered under the health professions discipline act. Disclosure of that information can cost them their licence. It's information that is necessary for them to give good, quality health care.

Mr Tilson: A pharmacist will have available all other drugs.

Mr Stump: No. The only thing that will be provided back to the pharmacist is the drug that might interact with the current medication. We're not providing a "give us your health number," as on the telephone, "and we'll give you a list of drugs." We're saying, "Tell us what you're dispensing." We'll do an automatic analysis of that drug based on currently accepted medical references, Hansten, and publicly available information against our database and come back and say nothing, because there is no serious adverse reaction, or we'll just come back and say: "Yes, this is a serious problem. Talk it over with the prescriber and with the patient because you're prescribing"—one of the examples I think I can understand is some sort of an Aspirin-type drug, Warfarin, which I think can be used, a heart drug, that could cause haemorrhaging and I guess eventual death.

Mr Jim Wilson: What about multiple prescriptions of the same drug? You're worried about double-doctoring, you're worried about—

Mr Stump: We'll come back and say that this drug is being refilled too soon. If you're taking a drug that there should have been a 30-day supply on, then we'll come back and say, "This drug is being refilled too soon," at which point the dialogue can start up between the patient and the pharmacist: "How many pills are you taking a day? You should only be taking three, based on my records." It could be a simple explanation. It could be that the three-year-old in the household flushed the drugs down the toilet for a prank. What we're doing is providing limited information, only in situations where we feel that quality care is at risk.

The Chair: There's one final point of clarification from Mrs Sullivan, but I would like to get some indication from the committee. If we'd like to ask questions at this point, then I will distribute the time evenly; if not, we should proceed with the rest of the presentation. Is that fair? Okay.

Mrs Sullivan: Frankly, the information that you have just provided to us, I think, is new to everybody on the committee. I don't think we understood when we were discussing the drug network, either in estimates committee or on other occasions, that indeed the network would provide pharmacological information. I'm interested, then, in what will be recorded and how records will be maintained of interactions with over-the-counters which have been removed from the ODB list.

Mr Stump: We will not be recording any products that are not provided under the Ontario Drug Benefit Formulary as it currently exists, so if the drug is not on the formulary, we won't know about it. If you're claiming under, perhaps, a Blue Cross program that you have outside of the seniors' program, for whatever reason, we will not have that data available to us. It is going to be of limited use because we will not have all of the data, whether it's over-the-counter or even nutritional products.

Mrs Sullivan: Is it going to be of any use at all if only drug products that are included on the ODB list—and there are many, many that aren't—are included on the network, on the information system?

Mr Stump: We believe so.

Mr Decter: Despite some of the deletions from the formulary, we still have a formulary with in excess of 2,000 products on it and we do comprise the major program for drug benefits for the seniors population. As well, most, although not universally true, over-the-counter drugs are of less concern in terms of inter-reactions. I believe that we are going to capture, although not a comprehensive drug profile, the major drugs that seniors are taking. I guess I'd contrast that—the average hospital formulary would be much smaller, maybe down around 300 to 400, so we are covering a broad spectrum of drugs. Although I know it's contentious—the various moves we've made to reduce the scale or the size of the formulary have been contentious—it's still a fairly comprehensive set of medications.

1540

We do think this will be well worthwhile, but there is a balancing act here between the privacy concerns and the management concerns. If we were purely concerned with management, we would go a lot further in terms of personal information and linking patient records but, because we have a balancing concern, as set out in the Freedom of Information and Protection of Privacy Act, we have to take account of that as well, so there is for us a balancing act in this.

The Chair: I see this question has provided more interest, so I'm going to proceed with questions in the interests of being fair to all.

Mr Frankford: It seems that your example of anticoagulants and Aspirin is not a very good one because I'm not sure Aspirin is listed right now. Perhaps this is an example where the system could operate

and not work, and perhaps the responsibility should be more on the prescriber than—

Mr Stump: I think that where we have to get to with the system, as I said earlier, is we can start with community pharmacies. I think a logical place is to work with the hospitals in emergency rooms where we will have to deal again with what information is provided to an emergency room physician when somebody's wheeled in on a stretcher, because at that point it might be because of a drug reaction and you're going to want to make available to the emergency room physician the drug history. I think, ultimately, the prescriber is going to have to get much more involved with the pharmacy working out a drug therapy program.

Mrs Sullivan: I think the reason this network is interesting is that through it we see the movement of the health card system from an eligibility and registration system to a utilization control and then ultimately leading into a record of medical and other health care treatments that can be reviewed by the professional to assist in subsequent decisions about health care that's ultimately delivered. As we're moving through this, what we're all wondering is how smart is smart, if we're moving into that kind of smart card system.

What kind of analysis was done within the ministry with respect to a comparison and discussion of the question of confidentiality of information versus security of information? I think they're two quite different things and have two different places in the system.

Mr Stump: I guess, if I'm understanding correctly, confidentiality is information that you're expecting we might exchange with a pharmacist; security in the system is making sure that nobody can get unauthorized access to the system for whatever reason.

I guess on the first part, we've worked closely with the Ontario Pharmacists' Association to find out what actually is needed. We've looked around North America in terms of what information is currently being used, what plans people have in place to do this, and they do vary. British Columbia, for example, is in the process of going to tender on a similar system, where they would provide all of the information to the pharmacist to work up a drug profile on the individual. We've taken a much more cautious approach.

From a community pharmacy's perspective, they're going through an evolution in pharmaceutical care. Their model of community pharmacy is changing to one where they get much more involved in a counselling role as opposed to what the average citizen perceives, as somebody just taking the pills out of the big bottle and putting them into the little bottle. I think there's timing on their part to change the layout in pharmacies so that they can dialogue with their patients privately in a professional setting, as well as the practical reality of running a $5-billion business that they have to be able to flow customers through the store in order to make a living at it. I think right now it's a balance in terms of what's the absolute minimum information that you can provide in order to improve quality of care, coupled with the pharmacy's ability to conduct its business practically and professionally.

Mrs Sullivan: When will the doctors be introduced to this system?

Mr Stump: I'd turn to my steering committee, but I don't think I'm going to ask them that until we've implemented this one and we prove it works. Clearly in the directions I've been getting: Emergency rooms are next on your list and then let's start to work with the prescribers.

Mr Decter: We are looking for a prescriber number.

Mr Stump: We are going to start collecting.

Mr Decter: Yes, so we will be collecting from day one the physician number, which will allow us to look at perhaps non-identified physician prescribing profiles.

I just want to say, one of the real issues for us is that a great deal of good analysis with policy consequences can be done without personal identifiers. It doesn't turn out to be in every case as important to know exactly who is taking a drug but, for example, David Naylor and Geoff Anderson did an analysis recently published under the title A Day in the Life of the Ontario Drug Benefit Program. They looked at classes of drugs and identified some real systematic misprescribing, prescribing of one drug where there's a far less expensive, equally effective alternative.

Unfortunately, we have that one solved, if one's a brand name and one's a generic, because of the requirement of the Ontario Drug Benefit Act, that people prescribe or dispense the generic. Where you've got either two generics or two brand names, we're not into that level of utilization management. I guess I'd answer your question by saying in part: We want to do a lot of analysis that doesn't violate—violate isn't the right word—doesn't test any limit on confidentiality because we're not using personal identifiers and we can aggregate the data and do that work.

I think we're going to walk, frankly, more cautiously down the road of making sure we remain in conformity with the FOI and Privacy Act in terms of collecting and using information only for the purpose for which it's collected. That whole issue is quite vital to us. Are we collecting information, for example, to manage the drug program or are we collecting information to manage the health care system? It's my belief we're collecting it for the second reason: to manage the health care system.

You then have a set of important concerns, concerns about how to protect people's individual privacy through this process, and candidly, when you automate something, it does make access a much bigger issue—not that a physician assistant in a pharmacy couldn't look at someone's prescription now in a paper form—

but what checks have we got in place as we automate that system to contain it? It's a very real question. We've been working very closely with our own legal people, our own FOI people and the commissioner on these issues and we will continue to.

Mrs Sullivan: When the physicians are hooked up to the system, will they have the complete drug profile of the patient?

Mr Decter: You're asking a very theoretical question because we're not that far down the road yet, but I believe a physician would now have, as part of their patient record, what they've prescribed for that patient and—

Mrs Sullivan: Knowing what the physician himself or herself has prescribed—they would not have a record of what is in fact a problem with overutilization, that is, doctor shopping.

Mr Decter: I don't have an answer. I don't think we've crossed that bridge yet.

Mr Stump: I think we're taking it step one, two, three, and I think it would be working with the OMA the same as we did with the OPA to find out what is necessary and what is appropriate.

Mrs Sullivan: So there's work to be done?

Mr Stump: Yes.

Mr Tilson: I guess that comes back to my initial question. If you're going to implement a system like this or even consider implementing a system like this, isn't that the real issue: Who is going to have access to this information? How much information? How are you going to have a check on who is having access to the information and how frequently, particularly when you're going to be talking about transfers of information between different governments, whether provincial, federal or municipal? You get into all kinds of things in the availability of all of this medical information which in the past has been very confidential.

1550

Mr Stump: First of all, I guess we've looked at the community pharmacy issue, I think, in the terms that you've just outlined. We haven't looked at hospitals or physicians' offices simply because we haven't got that far along the road. If we never implemented anything for hospitals or physicians' offices, I think we'd all be disappointed, but I think that the system would serve a very practical need today in community pharmacy. We will get to those questions for hospitals and we will get to those questions for physicians' offices.

For the community pharmacy, we're collecting essentially the same data as we've collected for the past 20 years. We've added the prescriber ID. They've offered us some address updates. In terms of communications back to the pharmacies, basically, we're only going to communicate back anything that might cause a serious health care incident.

Mr Decter: Perhaps I could move on to policy and legislative changes to give you a current status. Because of the three issues I identified at the beginning, the fraud, the overutilization, the supply, embedded in this is the question of eligibility. The government has been taking a look, and we did, in our Managing Health Care Resources paper in the spring, indicate that there would be some changes made. We are currently in negotiations with the federal government and we have some policy approval not yet fully at implementation in terms of tightening of eligibility.

Frankly, the introduction of the unique health number and the work done by the registration program branch highlighted a number of areas where our eligibility policies were less than clear. There's eligibility per statute, but interpretation of exactly how eligibility is established has been an issue for returning residents, for newly eligible persons. So you will see some movement to both tighten and clarify eligibility.

I'll give you one small example. Although all foreign students coming to Canada are told by Employment and Immigration that they should buy private coverage, we have also been providing OHIP coverage for foreign students, and that's a policy issue being addressed by the government. Many of them also receive, through bursaries or scholarships, money for health insurance.

The second policy change I mentioned earlier, Bill 50, will allow us to extend the Medical Review Committee, and I just refer back; frankly this is one that has been an issue for some time. In 1990, the Provincial Auditor criticized the time between a referral from the general manager of OHIP and the recommendation of the committee, noting that the average time was 20.5 months, up from 7.5 months in 1984. As of last year, the average time was 34 months and that has widened into 37 months. So it's now 3 years on average between a referral by the general manager of OHIP to the Medical Review Committee under recommendation from that committee.

That's not the fault of the committee. Their size is set in legislation, and until we get that bill through, we're stuck with that situation. It's simply that time has passed by that provision, and we badly need to clean that issue up. It's less of a pressing issue with other provider groups, but we have made provision in the bill to allow us, by order in council, to establish larger committees where they're needed.

I've mentioned the social assistance reform. It will delink eligibility for some health benefits, particularly drugs, from social assistance.

In terms of operational enhancements, we are not—I said this earlier—waiting for a new card as a single solution for a couple of reasons. There are many things we can do now; there's a bit of a list there. As of November, we will be requiring original documents for replacement cards. I believe we're doing that now on

the walk-in side but not until November on the mail-in side. We are working on additional supporting documents. We have eliminated the interim paper cards. We are intending to move forward on procedures in terms of return of cards. We have a draft of a revised notice for new cards. We have a "dos and don'ts" poster. Maybe I could ask that they be distributed as a kit which gives you our current forms and information that are going out to people as they receive cards so that we have started to try to communicate. As I noted earlier, we've reduced the name preference options to one.

In terms of communications, we are moving forward with a number of posters and other communications vehicles to try to get the public more on board with us in terms of sending us address changes and in terms of carrying and using their cards appropriately.

In terms of the registration analysis project report—you have the report—let me just remind you of the mandate, which was to look at real and potential problems in the use of the database and to design and test methods to facilitate correction and to maximize opportunities for use of the data by other program areas. There were 51 separate studies. I think that list was provided in February. We were not, in February, in possession of the full report. It was still under way, although many of the individual studies had been completed.

The report's conclusions—first, I should say the report had, I think, the appropriate caveats in its executive summary in terms of use of the report, and I would just underscore it. The report did a worst-case and indicated that, and I'll just quote the small bit, "These numbers are likely overstated because there exists some potential for a registrant to be counted in multiple analyses." This is from page 3 of the report.

I think staff were careful. I can't say that all of the media repetition of numbers from this report has been quite as careful in putting the appropriate qualifiers there.

The report identified quite large numbers in three areas. On the fraud side, there was an indication that registration fraud could be a potential liability or exposure of $284 million. In the case of abuse—this is excessive utilization—a $47-million number was cited. I will indicate there that the major studies done by Harvard, the Rand Corp and others on inappropriate use of medical procedures are much higher. They run anywhere from a quarter to as much as 50% of all medical procedures being unproven as to their beneficial outcome.

That's a little different than abuse, but when you get into utilization, we're into issues like the high rate of Caesarean sections. I'm pleased to report that for the first time we've seen that rate come down from over 20% to about 18%, but that's more the mission of a Dr Naylor and the institute to really get at moving towards best medical practice. I'd also say, because it's a point of extraordinary sensitivity with the profession, that it's easy to do an after-the-fact study and conclude that something might have been less than fully indicated. At the point of providing that service, many physicians are faced with a choice of erring on the side of preventing something that might be catastrophic, so one doesn't want to push that argument all the way on the epidemiological side.

The other indication was that there was potential for what were termed recoveries in two areas. The federal government is paying for groups of persons for medical benefits in other provinces that they're not paying for in Ontario. We are pursuing the federal government very hard on those issues at the moment. The other one was the sense of potential vis-à-vis the Ministry of Community and Social Services, and we're working with them. The report did indicate, through all of its studies, that we had some real risks here. I would say on the record that I think the staff did a superb job of working on the individual studies.

1600

I would echo my minister in saying that some of the rollup to the big numbers, and particularly the way some of those potential exposures were seized on out there, contributed to probably a view that the fraud issue—I think I've seen numbers bandied around publicly in the $700-million to $980-million range, which I think dramatically overstate the fraud issue. My own view is that it doesn't matter whether it's one in 1,000 or it's one in 100. The mission we have as a ministry is to fix the problems and to eliminate the exposure, and that's frankly what we've been doing since receiving the report.

There were 41 major recommendations. Many of them have already seen movement in terms of implementation. You've got the material; I don't think I need to go through each and every one of them. I would say that a number of these are very high priorities in various areas of the ministry. The negotiations with the federal government are being carried out by Margaret Mottershead, who's my most senior assistant deputy minister, and we have divided up the workload across the ministry to see movement on these issues.

We may see greater movement on some of them more rapidly than others. Negotiating with the federal government is not the easiest task or the most rapid. I'd also say that this is the first time an analysis of this sort has been attempted, and I think we're pleased to be seeing that the individual health number allows us to really dig in for the first time and get at some of these issues in a very practical way.

Again I'd just underscore that I don't think the issue is to arrive at a total-exposure number. The issue is to identify those areas with the highest probability of fraud or abuse and to find ways of solving them.

I'd say in that area we don't think that we've got all of the answers in the ministry itself, hence our retaining of Lindquist, a very strong forensic accounting and audit firm, to give us some advice not to do the work for us, but what they've done for the federal government and others is everything from diagnosis to running training programs for staff.

We have quite a large inspection staff, in the ministry, spread out among the program areas, and we think if we add some training to those individuals, we can get a pretty good value-added out of it.

I would say in terms of next steps, we're working between the program branch and other program areas of the ministry. We are getting some expert outside help. I would say very ultimately to this committee that any advice you have for us will be taken very seriously, as the advice of the Provincial Auditor has, both on the card issue itself and also on the broader issue of fraud and abuse.

We are continuing to look at the extrapolation issue because it's a tough one in terms of, what conclusions do you draw from small-size studies? And we will continue. We need better mechanisms, what Lindquist termed red flags within our systems, things that should indicate potential risk and cause us to take action early on.

The other thing we will be doing is a parallel exercise on the provider side, and here I'd like to be direct with you. Almost all of the focus in recent times, not only our focus but also the public focus, has been on potential fraud or abuse by consumers of services. We're very concerned that we're having an equally hard look at providers of services. It stands to reason, in our view, that a small minority of people on both sides of the consumer and provider spectrum have potential to be committing fraud, and we think we need to do the same kind of brainstorming and series of studies and analyses on the provider side to make certain that we're on top of that. Certainly, the pharmacy system will help, as will the expanded MRC, as will the inspection unit.

In terms of three basic areas, the registration and payment control framework, I think we have a chart, and I'll apologize for one spelling error on this chart. Under post-payment, it says "toil-free line to report fraud." That's intended to be "toll-free line." It's certainly not without toil. But you can see that we're looking across the spectrum, starting at the application end, moving to the card end, point of service and post-payment. We are looking at strengthening in each of the areas.

In terms of—I'll walk you across the proposed line: On application we're looking at tightening eligibility. We are looking at verifying with Immigration Canada. We're looking at intensified exchanges with the registrar general.

In terms of the card itself, we believe the photo is our single biggest asset in terms of the point of service and the card. We also think a renewal cycle is essential, and we are looking at enhanced security features and doing some consulting there. I will be frankly a little vague about enhanced security features since we're not interested in tipping our hand too far in terms of those who might be actively looking at how to beat any card we produce.

In terms of the point of service, we've demonstrated both the audio and the swipe readers. Those are at the pilot stage, but we intend to roll out those systems so there can be point-of-service verification and on-line adjudication of drug claims.

In term of post-payment, we have, under the OMA agreement, achieved a fraud-reporting regime or agreement from physicians. We are looking at other measures in the post-payment area. Certainly, our investigation unit will be of considerable help here, as will the help of the public.

Down the road, we list some things. I don't want to get too far ahead of ourselves. My own view is, every step in this process has to both cost-justify itself and it has to be secured and working before you go on to the next step. For that reason, we want to walk before we run.

The health card enhancement project has, as its key deliverables, implementing the photo card, tightening the process for new and replacement cards, moving to a renewal cycle for all cards and additional card security features. We believe this will give us improved client identification, improved card integrity, reconfirmation of eligibility within the cycle, time-limited value of cards, and it also allows us to add changes on the run, if you like. With a renewal cycle, because we are in an area of rapidly emerging technology here, a year ago I was told by the private sector that there was very little interest in moving to a photo card because it was simply too expensive. I was in Washington, DC, on the weekend, and Citibank was advertising a photo Visa card, a Visa card with your photo on it. I don't expect we've seen the last of technological evolution here. With the renewal cycle, we can then introduce new features to the card as we move along and as we have the capacity to use them, rather than being caught in a static situation.

We also see, as a spinoff benefit, more interaction with consumers about what they're using, and we are looking at the periodic benefit statement to consumers, although we're not yet in a position to do that on a broad basis.

Finally, on the health card enhancements, we've just got a quick illustration there that shows you the current card and what we're calling the interim card, because we think we'll make this in two steps. We want to get the renewal cycle, birthdate and sex. The birthdate and

sex are on the stripe on the back of the card now, so this isn't additional information, but until we get to the photo card, it does allow a certain amount of verification of the user on an inspection basis as well as moving to an expiry date. Those features would remain; the photo would replace the version when it went on the card.

1610

I think that takes me to the interprovincial comparison. I would say at the moment—

Mr Tilson: Can we get the dates when this will be implemented?

Mr Decter: I want to be careful here. We've committed to being at cabinet this fall on the photo card and we're committed in the OMA agreement to taking a decision by December and I think that's realistic. I can't, at this point, tell you when we will have the photo card in people's hands because that depends on a number of choices.

Again, I guess here I would say again we want to get it right; we want to do it properly. We are working with MTO. They already have a photo capacity in terms of the driver's licence. We don't, if it doesn't make sense, want to subject citizens of the province to going for two photos if there's a way of avoiding that. We want to make sure that the driver's licence photo process is secure enough for our purposes. So I think all I can commit to you on the photo card is a decision by December, which would also include time lines for implementing it.

On the interim card, I'd have to turn to others here as to how rapidly we can add some of these features. Patricia.

Ms Patricia Malcolmson: I'm Patricia Malcolmson. I think that in terms of adding features to the current card, that we could put them in place and have them tested and ready for implementation before the end of this fiscal year, subject to the broader decision to go forward with a photo card in a cycle.

The Vice-Chair (Ms Dianne Poole): I think we'll continue since, I think, for this portion we'd said there wouldn't be questions until the end, and I believe he's almost finished anyway. Mr Decter.

Mr Decter: I'm at the last slide in the presentation. In terms of just listing other activities, largely of a data exchange, we are looking to improving the accuracy of our database. In terms of the registrar general, we're looking at integrating birth registrations, we're looking at name-change updating, adoption integration, and, as Peter Burgess mentioned earlier, grappling with the death matching enhancement; that is, getting a better automatic match of deaths.

In terms of information exchanges, we're working with three federal government departments: Employment and Immigration, Health and Welfare and Revenue Canada, and within the government we're working actively with Finance, MCSS and MTO. We are also doing work with Quebec, who have been very helpful in terms of sharing their experience with us. Their experience with the photo card is, I believe, only about a year old. So it's a little early to draw dramatic conclusions there, and we are looking at working with other provinces on interprovincial moves.

I did mention earlier, and it may be a useful note to conclude on, that we have an update to the March report, a much shorter update, but trying to bring to bear on the March report both events like Statistics Canada's revision and also some activities since then. I don't know that I want to take you fully through this report. I think that I could do a couple of brief highlights from it and I think we could make it available. I don't know whether we have sufficient copies at this point.

Interjection: We could have it first thing in the morning.

Mr Decter: We could have it for first thing this morning. Staff have been pushed very hard, frankly, by me to do an update because we wanted to give up as up-to-the-moment information as we could on these matters. The report, if I can highlight it, and let me start with the negative part of it: We still haven't got the address issue solved and, in terms of the database itself, I think of the information, that is the area that we're least satisfied with. We have made more progress on a variety of other control measures.

We also, I think, have come to the conclusion that we still have significant risk in various parts of the system. I think some of that risk is resolvable with data exchanges. Some of it is only resolvable by getting to the point of service.

In terms of focusing on the numbers issue, because that has been a focus publicly, the update contains a rather wider range of numbers than previously. I think that's helpful. I would just reiterate—well, to give you the wide range, the bottom-line number that staff have calculated shows a reasonable estimate of exposure in the range of 0.14% to 1.5%, which would give you a range in dollars—I don't think my copy has the dollars in it—of somewhere between $24 million and $250 million. Here, I have it; I do have one with numbers in it—between $24 million and $257 million.

I think that range gives you some idea of the dilemmas in trying to put a number to this. We've gone at the areas with the highest probability and in some cases we have found, particularly in the Windsor and Kingston hospital situations, that there are some number of people presenting American documentation to back up an Ontario health card. We have some charges laid in connection with a Kingston case. So we have succeeded, I think, in beginning to get some attention at the hospital level on this issue. In any event, you'll have the

updated report. My own view on this is that we have made good progress, given the situation, but we have a long distance to go and we're only to get there with a really determined effort with the people at the point of service. The ministry is not there in the physician office or there in the hospital and we need, both technologically and in terms of attitude, those providers on side with us. We also need their confidence that we've done enough tightening on the card and eligibility side that we're not offloading the task on them. So I think it has to be a genuine partnership and I think the degree of undertakings on both sides in the agreement between the government and the Ontario Medical Association is a good start to that.

We do have discussions under way, if I can anticipate one question, with the Ontario Hospital Association around the other card, the generally blue card that people get in hospitals and cards that are issued by hospitals. We think there are some answers to tightening that part of the system as well, although the hospital association, I think, in the initial realm, doesn't feel the risks are as large as the risks on our card, simply because of the process by which someone acquires that card. In any event, we've started a discussion on that side.

So in terms of our three major service points—the hospital, the physician and the pharmacist—we are at varying stages of working through the use of the health number, working through the use of card and communication technology, and within the ministry we are working at various levels to deal with the recommendations from the registration analysis project and really to reap the benefits of having a unique health identifier. I expect we have several years of hard work ahead of us to fully implement, fully achieve all of the benefits that are available.

1620

We also have a much more aggressive approach on the fraud issue. I would say on this that it has perhaps been for many years taken too much on faith that because of the high regard in which Canadians hold their health care system, fraud or abuse of the system was an unlikely consequence. I think public attitudes have hardened. Frankly, the publicity about our health care system south of the border and the rather desperate straits of the American system have probably fed, although we have no basis for measuring, some greater interest in people tapping into our system.

I would say the hardening of attitudes is not just there in the public; it's there in the ministry, and you will see much more determined action on things that we might have treated in the past as an issue of recovering overpayments. We will be asking our investigation unit to look at whether they are genuinely cases for recovery of overpayments or they are cases of fraud which should be dealt with through the criminal process.

I have not tried to go into great detail on parts of this. We have lots more detail we can provide. The overall message I'd like to leave with you is that we take this issue, as we did in February, as we have over the last number of years, very seriously. The ministry is doing a great deal on this and we are very open to advice from this committee and from others. We do intend to consult all of the available experts in these fields before we go to cabinet on the photo card or the card enhancements. We really want to hear from people who are leaders in their fields as to what they think the future holds and what the best approach is.

The Vice-Chair: Thank you for your presentation, Mr Decter. The Chair had indicated that we would sit till approximately 4:30, at which time we'd discuss the report of the subcommittee. Since that would only allow about two and a half minutes per caucus, which really isn't enough time to even start questioning, would it be agreeable to extend that to five minutes per caucus, just to give you a chance at least to go at Mr Decter, I think was the phrase that was used, and to ask the questions over which you can't sleep tonight unless you get out in the open? I have three people who have indicated an interest so far, Mrs Sullivan, Mr Wilson and Mr Wiseman, and if there's time for your caucuses, Mr Tilson and Mr Callahan. I think you'll have about 30 seconds each for your questions. We'll start with the official opposition.

Mrs Sullivan: Thank you. It's not that fabulous, but we will get back to it again tomorrow for sure.

I was interested, when the news of the registration analysis project became public, in the responses that occurred from officials in the ministry, from the Premier, from the Minister of Health, with respect to the data that was included in the report. Indeed, I think many of those responses cast some doubt as to the validity and the expertise of those who had been involved in the project.

Having read the report, I guess my concern changed from what appeared to be a coverup to having some concern with what I saw were firm projections and estimates that were made from what appeared to be fairly small samples of study that had been done in various areas.

One of the things that has occurred to me now, having heard the presentation, is that it seems now that action is being taken on a relatively small sampling. I believe that in January you reported to the committee that there appeared to be in the Kingston survey about 4.5% inaccurate registrations. The eligibility investigations which have recently been done have cancelled the eligibility of 52% of the cards, it was reported to us this morning. I expect that those were the return mail cards, but that could be confirmed.

What happens if a person has simply changed an address and then is refused health care coverage based

on cancellation of a card from a very small projection of risk?

Mr Decter: Let me give you two answers. The first and most important is that no one can be refused urgent care in the province on any basis, so there's no ability in the system to refuse urgent care to an individual on the basis of the invalidity of their health card number. There is then a mechanism for disputing or appealing eligibility and dealing with payment for those services, but the first message, and it's one that I think we have to be very direct with, is that there's nothing in this process of our trying to reconcile the database and make sure that service is going to eligible people that allows a hospital emergency ward or a physician to turn down someone in need of medical care on the basis that their card number didn't go through.

Just to be very direct there, concerned as we are about the financial integrity of the system, that is not in any sense a change in the legal requirement that care be provided. I don't think we've had any major cases. There have been a couple of cases that have come to our attention, but we don't sense a big ramp up in that.

On the report itself and the issue you comment on, there is a balancing act here. This was the first time that we've really dug in and looked at this, and I think there really is lots of appetite for getting to a very big number. Frankly, the people that I spent a couple of months with on the social contract would far prefer that it turned out there was $700 million of health card fraud, and then we could sort of eliminate all of the other burden that's falling on their members as a result of the social contract.

Similarly, I think the medical profession would far rather believe that there are masses amounts of fraud. The reality is that we're only going to learn how much there is by undertaking actions to eliminate it, and as we eliminate it, you cancel registrations because people don't respond. We won't know for some time, I presume, how many of those people subsequently turn up and say, "Well I actually was eligible but I moved and I was somewhere else."

Mrs Sullivan: Do you have a tracking system for that?

Mr Decter: I should get Peter up here to answer the more detailed questions.

But, no, the address side is the place that I think we've got the most work still to do and we have not got that solved. People don't tell us when they move, frankly. People move a lot. We've had cases where we've invested many, many multiple numbers at the same address. Some of the them have turned out to be hospitals, nursing homes, what you'd expect, and some of them have turned out, I guess, to be cases where you get a lot of turnover in the same apartment unit. So I don't think we've got an answer for that because we're not far enough along on it. There's a bit of a balancing act here between what we can know from a small study and how we can generalize that across the system.

The study was designed to give us maximum exposure—what is our maximum exposure on this?—and I think it's done that. Somewhere between the big and the small numbers is what the actual situation is. Peter may want to add to that issue.

Mr Burgess: I'll try to make it brief.

In terms of the two points, I believe you asked a specific question, was I aware of any tracking system? No, I'm afraid I'm not, but I am aware, certainly in the border community which I mentioned, of where people have had their eligibility terminated, have been to a physician in their new address, subsequently have been phoned by the physician and told, "Your card is ineligible, the one you gave me."

They have immediately gone into the local Ministry of Health office, they have immediately faxed their new address to us and been reinstated, as long as they can prove that they truly were eligible at the time of receiving the service. The physician gets paid for the services that were provided at the time of provision of service, and the individual is immediately reinstated.

1630

In terms of your small sample, yes, you can look at it as if we did some small samples. But in specific cases, for instance, the case that was quoted quite widely in the newspaper regarding hysterectomies being performed on ladies who had previously had hysterectomies, we surveyed the 200 million or 300 million transactions that had occurred since the time of registering for the new health card and determined a certain number of possible occurrences and checked out each one of those and found in fact zero occurrences in that one sample. So while we were trying to sort of cut our suit according to the cloth available, we did, wherever possible, attempt to scan as much as much information as we possibly could to make ourselves feel reasonably comfortable with the results. We were inventing these techniques on the fly, I hasten to add.

Mr Jim Wilson: Mr Decter, I'm just curious to know how you're going to re-issue 10.2 million interim cards by March 31 next year and what the cost of that would be.

Mr Decter: We're not planning a re-issuance of cards. We have a steady process of issuing cards to people: to new registrants, to those who turn 65. What we're talking about are enhancements to the cards we're already issuing. We're not looking, and I should be very careful here, at a re-registration of the whole population, either on the interim card or the photo card in one go. We're looking at moving to a cycle where your card would have an expiry date and, as with your driver's licence, you would have to renew it every—we're still

looking—three years, four years or five years, but we will phase it in.

Mr Jim Wilson: I don't understand that in terms of, for instance, I myself. If I never have any contact with the health care system, I will, I assume then, for many years yet to come continue to have the card that's in my pocket now with no expiry date or none of these verifications.

Mr Decter: No, no. I'm trying to distinguish between going out and—

Mr Jim Wilson: When will I get a new health card?

Mr Decter: Depending on what cycle the cabinet decides on, some time in the next three, four or five years you would get a new health card.

Mr Jim Wilson: So eventually, in the next three to five years, you're going to re-issue 10.2 million cards, plus the ongoing new admissions.

Mr Decter: Yes.

Mr Jim Wilson: What's the cost of that?

Mr Decter: We don't know the cost, because we haven't decided the features on the card yet. We haven't worked through how we're going to implement it. Obviously, if we work with MTO and they've already got a capacity to do photos, that's one thing. If we decide that's not secure enough, that would be another. I can't give you that. I will tell you, though, that also under active consideration is having that be a full-cost recovery operation.

Mr Jim Wilson: To the consumer?

Mr Decter: Yes.

Mr Jim Wilson: I notice in the chart that one of the provinces charges $10 for a replacement card. Is that what you're considering?

Mr Decter: We're looking at what our costs would be. I think I've seen numbers in the range of $5 to $10, based again on what technology gets chosen. I don't want to pre-empt the cabinet on that. We will make, certainly, our best efforts to look at all of the documents that people are currently charged for, birth certificates, passports and so on. There is also a very live issue of not imposing user fees between the consumer and the health system. When you ask me about cost, there is an issue about where the costs would be borne, as well as how much it would be. I think we're looking probably, ballpark, something in the order of $5 to $10 per card.

We will not, certainly as long as I'm deputy minister, go out and try and do 10 point-however-many million people in one registration process. I really think our quality control would be a lot stronger if we're doing it over an extended period of time and we get it with lots of documentation on the way through.

Mr Tilson: The last system, as of January 1992, cost about $40 million. That's what the Provincial Auditor says, at least.

Mr Jim Wilson: The current system.

The Chair: You mean the health cards?

Mr Tilson: Health cards. The current health card system costs—

Mr Decter: I thought it was higher than that.

Mr Tilson: I don't know: $39 million, $40 million.

I appreciate your talking about that individuals are going to be charged or may be charged, depending what the cabinet says, a fee per card, but there must be some estimate. You're obviously sophisticating the system substantially. Is it going to be much in excess of that $40-million figure? It may be $40 million as of January 1992, but—

Mr Decter: No, I don't think so, because we are currently issuing—someone would have to give me a number. What number of new cards do we issue per year on the current—13,000 a month, so about 150,000 a year. Okay. It's not huge, but we're already issuing something like 150,000 per year now. I think we'd be upping that, depending—so it's hard to put a number on it, but this is going to cost some tens of millions of dollars. There's no question of that.

Mr Tilson: I guess the problem we have is, whether it's the registration analysis project or other reports, your own admission is there's substantial fraud in the system. The next question is that if you're only going to do this by degrees over a period of years, that's going to take a long time, that process. How is the existing fraud going to stop?

Mr Callahan: Do you think it will go past 1995?

The Chair: If I may just interrupt for a minute, I would like to give you the opportunity to answer that question; however, we are running out of time. Could I suggest that we come back to that matter tomorrow and we move on in rotation to the government party and have the last five minutes—

Mr Tilson: Maybe he can just give me a quick answer.

Mr Decter: The quick answer is that we're doing a whole range of things to reduce and eliminate fraud. The new card is not seen by us as even the major—I mean, it's a major part of a medium-term effort, but I think the investigations unit and tightening down the data that we already have in the system, that we already have in place, will get us significant gains on the fraud front.

Mr Wiseman: My question is very quick, actually, and it was raised by somebody at my constituency. It seems whenever a disabled person who is permanently disabled has to apply for some government support, they have to go back to the doctor to ask that the doctor give them a letter indicating that they're still permanently disabled. It seems to me, and it was their suggestion, that something be put on the card, like PD, permanently

disabled, so that they wouldn't have to continue going back to the doctor to get a letter saying they're permanently disabled to get the driver's sticker or some of the other benefits that are available to them. This would probably save the system a lot of money.

Mr Decter: I can't give you a specific answer, and we'll take that suggestion under advisement. I can tell you that one of our structural issues in the system is that we've used physicians as gatekeepers for a lot of programs where you don't really need a medical gatekeeper and it's not appropriate. We are moving away from that in the long-term care system. I mean, physicians are our most expensive and also most skilled resource in the system. We want to use them appropriately.

One of our actions with the OMA was to get the third-party billings out of our system; that is, where someone's kid is going to camp and the camps say you need to have a medical, the only reason that child is going to see a doctor for a medical is the camp rule. Under the third-party billing agreement, the parents would pay for that rather than OHIP. Now what's happened in practical terms, and I can speak as a consumer, is a lot of camps have decided they don't need a medical review of the child. Schools don't.

So what we're finding is that over the years, people, in looking for gatekeepers, put physicians in, partly because we were paying the bill. We're now doing a very comprehensive policy review of that with the OMA. Obviously, they have an interest in not being blamed for excessive utilization when it's not being caused by their members; it's being caused by various other programs or by third parties like insurers. So we're working with them on that and I think we've made some good strides. But I don't know about the permanently disabled category. We will look at that.

1640

Mr Wiseman: I have another question. I was cleaning out one of my drawers this morning looking for a document, and what I found in there was a hospital card that has been issued to me that I no longer need to show my health care card for. I've got one for Ajax, I've got one for Whitby, I've got one for Oshawa, I've got one for Scarborough General and I've got one for Scarborough Centenary. Those cards, if I ever lost them—

Mr Callahan: All different names.

Mr Wiseman: That's right. You've got it.

The Chair: Did this start to happen when you became a member?

Mr Wiseman: This has been happening over the last 35, 40 years. So my question is, if we're doing card changes, I don't know if you've looked at this, but eliminating hospitals duplicating that—first, that's an expensive procedure that the hospital is running and, second, if I don't have to show my card, how do they know that it's me?

Mr Decter: This is a real issue. We are working with the Ontario Hospital Association on it. I don't have an immediate answer. They code a lot more data about you and your medical record driven by that card than I think we would want to have on our health card, but if we can get some integration of the two-in-one card that gets used, I think that would be a more ideal situation. Again, we have not had people value their health card in the way they value other cards in their wallet, and I think we are going through a bit of a change in attitude towards the card.

There are also other technologies like the ability of a hospital potentially to put a kind of adhesive stripe on your health card that would have their additional information. Those are becoming quite popular in some applications. So when I say we want to look at all of the available technologies, we really do. We want to get into something that's going to work for a significant period of time in that we may be able to combine their requirements and ours in some fashion.

Mr Frankford: We were talking of the media before. I wonder if you could clarify—and perhaps this could wait till tomorrow for a reply. The article by Kevin Donovan in the Toronto Star of August 14 says:

"OHIP computer analyses show numerous examples of people obtaining a card one day, then racking up hundreds of thousands of dollars of medical services over the next 30 days. OHIP officials are aware of cases in which people have defrauded the Ontario system of as much as $250,000, for both kidney and heart operations.

"As well, US immigration sources say they believe several thousand American women give birth in Ontario and Quebec each year using Canadian women's health cards."

Have these been independently investigated?

Mr Decter: I'll again, I think, turn to staff to maybe comment on the specifics. We have found in one of the analyses significant use of the health care system by people in the first 30 days, I think it was, that they have their card. Peter, do you want to join me here?

Mr Frankford: I don't believe that's the same thing.

Mr Decter: No, no, but I—

Mr Frankford: That presumably is legitimate use, and I don't think that's addressing my question.

Mr Decter: Well, Peter, let me ask you—

The Chair: It sounds to me that we're going to have a lengthy answer on that. Perhaps you could just kind of sum up and then we'll deal with the details perhaps tomorrow, because that seems to me a very lengthy issue that we'll get into.

Mr Burgess: Sure. Let me just summarize. The

numbers that are mentioned in the newspaper article are clearly out of the newspaper article. Our report, which unfortunately got leaked to the press, and some work that we have done subsequently, do look at new services received within the first 30 days after registering. There was a concern expressed that the individuals were not eligible to receive services. Suffice it to say that if you want more detail, I'd much prefer to go into it at a time when we can really get into it.

The Chair: We'll have all day tomorrow, so I think that's a very likely subject.

Thank you. We'll end the session here today.

SUBCOMMITTEE REPORT

The Chair: With regard to the report of the subcommittee, I need a motion to adopt. Mr Tilson. All in favour?

Mr Jim Wilson: I have a question.

The Chair: On the subcommittee report?

Mr Jim Wilson: I think it refers to your subcommittee. On Thursday's agenda, it's a little unclear to me whether it continues on this topic or whether you're going to GO Transit.

The Chair: This is to deal with this matter.

Mr Jim Wilson: This whole week is health card except Friday?

The Chair: Yes. Thursday was to deal with Health in the morning so that we could conclude and write a report on this matter, or at least give direction to our researcher in that regard, and the afternoon was scheduled as well for issues around the non-profit housing report. So that's how we're going to proceed. I think that was made pretty clear in our subcommittee.

Can we move to adopt the report? Agreed.

We're adjourned until tomorrow at 10 o'clock.

The committee adjourned at 1646.

CONTENTS

Tuesday 7 September 1993

Annual report, Provincial Auditor, 1992 . . . . . P-127
Ministry of Health
Michael Decter, deputy minister
Peter Burgess, director, registration program branch
Robert Cavanagh, director, systems support branch
Kevan Malden, senior technical specialist
Dawn Ritchie, technical support analyst
Larry Stump, manager, Ontario drug benefit project
Patricia Malcolmson, assistant deputy minister
Subcommittee report P-149

STANDING COMMITTEE ON PUBLIC ACCOUNTS

*__Chair / Président:__ Cordiano, Joseph (Lawrence L)
*__Vice-Chair / Vice-Présidente:__ Poole, Dianne (Eglinton L)
*Callahan, Robert V. (Brampton South/-Sud L)
Duignan, Noel (Halton North/-Nord ND)
Farnan, Mike (Cambridge ND)
*Frankford, Robert (Scarborough East/-Est ND)
Hayes, Pat (Essex-Kent ND)
Marland, Margaret (Mississauga South/-Sud PC)
Murphy, Tim (St George-St David L)
*O'Connor, Larry (Durham-York ND)
*Perruzza, Anthony (Downsview ND)
*Tilson, David (Dufferin-Peel PC)

*_In attendance / présents_

Substitutions present/ Membres remplaçants présents:
Sullivan, Barbara (Halton Centre L) for Mr Murphy
Wessenger, Paul (Simcoe Centre ND) for Mr Hayes
Wilson, Jim (Simcoe West/-Ouest PC) for Mrs Marland
Wiseman, Jim (Durham West/-Ouest ND) for Mr Farnan

Clerk / Greffier: Decker, Todd

Staff / Personnel: McLellan, Ray, research officer, Legislative Research Service

CA2ØN1
XC71
-P72

Publications



P-11

ISSN 1180-4327

Legislative Assembly
of Ontario

Third Intersession, 35th Parliament

Assemblée législative
de l'Ontario

Troisième intersession, 35e législature

Official Report of Debates (Hansard)

Wednesday 8 September 1993

Journal des débats (Hansard)

Mercredi 8 septembre 1993

Standing committee on public accounts



Comité permanent des comptes publics

Annual Report,
Provincial Auditor, 1992
Ministry of Health

Rapport annuel,
Vérificateur provincial, 1992
ministère de la Santé

Chair: Joseph Cordiano
Clerk: Todd Decker

Président : Joseph Cordiano
Greffier : Todd Decker

Published by the Legislative Assembly of Ontario
Director, Hansard Reporting Service: Don Cameron



Publié par l'Assemblée législative de l'Ontario
Directeur, Journal des débats : Don Cameron

Hansard on your computer

Hansard and other documents of the Legislative Assembly can be on your personal computer within hours after each sitting. Sent as part of the television signal on the Ontario parliamentary channel, they are received by a special decoder and converted into data that your PC can store. Using any DOS-based word processing program, you can retrieve the documents and search, print or save them. By using specific fonts and point sizes, you can replicate the formally printed version. For a brochure describing the service, call 416-325-3942.

Index inquiries

Reference to a cumulative index of previous issues may be obtained by calling the Hansard Reporting Service indexing staff at 416-325-7410 or 325-7411.

Subscriptions

Subscription information may be obtained from: Sessional Subscription Service, Publications Ontario, Management Board Secretariat, 50 Grosvenor Street, Toronto, Ontario, M7A 1N8. Phone 416-326-5310, 326-5311 or toll-free 1-800-668-9938.

Le Journal des débats sur votre ordinateur

Le Journal des débats et d'autres documents de l'Assemblée législative pourront paraître sur l'écran de votre ordinateur personnel en quelques heures seulement après la séance. Ces documents, télédiffusés par la Chaîne parlementaire de l'Ontario, sont captés par un décodeur particulier et convertis en données que votre ordinateur pourra stocker. En vous servant de n'importe quel logiciel de traitement de texte basé sur le système d'exploitation à disque (DOS), vous pourrez récupérer les documents et y faire une recherche de mots, les imprimer ou les sauvegarder. L'utilisation de fontes et points de caractères convenables vous permettra reproduire la version imprimée officielle. Pour obtenir une brochure décrivant le service, téléphoner au 416-325-3942.

Renseignements sur l'index

Il existe un index cumulatif des numéros précédents. Les renseignements qu'il contient sont à votre disposition par téléphone auprès des employés de l'index du Journal des débats au 416-325-7410 ou 325-7411.

Abonnements

Pour les abonnements, veuillez prendre contact avec le Service d'abonnement parlementaire, Publications Ontario, Secrétariat du Conseil de gestion, 50 rue Grosvenor, Toronto (Ontario) M7A 1N8. Par téléphone : 416-326-5310, 326-5311 ou, sans frais : 1-800-668-9938.

Hansard Reporting Service, 481 Legislative Building, Toronto, Ontario, M7A 1A2. Phone 416-325-7400. Fax 416-325-7430

STANDING COMMITTEE ON PUBLIC ACCOUNTS

Wednesday 8 September 1993

The committee met at 1011 in the Humber Room, Macdonald Block, Toronto.

ANNUAL REPORT, PROVINCIAL AUDITOR, 1992
MINISTRY OF HEALTH

The Chair (Mr Joseph Cordiano): Good morning, everyone. I'd like to resume our sitting of the public accounts committee. We will continue with questions for the Deputy Minister of Health, Mr Michael Decter, and his officials who are once again gathered here this morning. Mr Wessenger, you have a point.

Mr Paul Wessenger (Simcoe Centre): I just want to be on the list for questions.

The Chair: I will note that you're very interested in being on the list. We will start this morning with rotation: 20 minutes I thought would be a nice time to allocate for each party, and we will commence with the official opposition and then move in rotation.

Mr Michael Decter: I wonder if I could correct something. Right near the end of yesterday, we were asked a question about how many cards we were issuing. The answer I gave was smaller than the right number; it was essentially how we're issuing to newborns. I have a piece of paper with how many we are issuing in total which runs on a monthly and an annual basis.

I also have attached, if we went to a three-, four- or five-year renewal cycle, how many that would be. So I wanted to correct that. The correct number is more like 80,000 a month and just under a million a year when you include immigration, newborns, the Health 65 cards and changes. I thought it was important to have the right numbers for the committee, and we gave an incomplete answer yesterday.

Ms Dianne Poole (Eglinton): On a point of clarification, Mr Chair: Are you saying there would be a million net more per year? Or is that a million more, then there would be some taken off because of deaths or moving out of the province?

Mr Decter: No, the numbers are essentially how many we're putting out a year. That's the gross figure. The net figure would be much smaller because it would take off deaths and outmigration.

But in terms of the question of essentially how much additional work would it be to move to a cycle, I guess part of our answer is, we're already handling almost a million issuances a year now. If we went, for example, to a five-year renewal cycle, that would come up to three million. If we tried to do it in a three-year cycle, that would come up to four and a half million.

It's partly my statement that we don't want to try and do 10 million again in a compressed time period, so we're looking at which cycle would be best. About half of that is new registration; about half of that is card replacements on the current basis.

Mrs Barbara Sullivan (Halton Centre): I wanted to start my questioning by walking through the history, as Mr Decter started his presentation yesterday. In 1985, when the Liberals came into power, there were 26 million people in Ontario who were considered to be eligible for health services. My understanding is that there were 26 million people who were covered under the old family registration system.

If you take the ministry's own figures, we're looking at more than double the population that in fact had some kind of access to health services, and with a potential of 1%, which the ministry has identified as being the potential for fraud or misuse, whether it's consumer fraud or professional fraud, the problem at that point was identified, I believe, as somewhere in the range of a $225-million problem, and that's why we went into the individual health card system in the first place. That was one of the main reasons, although there were others as well, including alternative payment requirements and so on for health care professionals.

With the individual cards that have been put into place to reflect eligibility, the strategic plan that was put into place at the time included several components. One of them was registration of people on an individual basis who were eligible for health services. The second was an enforcement process which was phase 2 of the initial step, which would have ensured that the access to health services was provided only to people who were in fact eligible for health services, and there was to have been a continuing enforcement and investigative unit. Then the third phase of course would have been to add additional smart card features, if you like, health record features, to the card for use by health care professionals and by the consumer.

We note that until the Provincial Auditor identified a very clear problem in enforcement, in eligibility for services and so on, in the auditor's report—and he was very clear in that report with respect to initiatives that had not been put in place—there had no been action taken, it appears, by the ministry to ensure that phase 2 of the project was in fact implemented; in other words, that the investigation-enforcement provisions that were included in the first strategic plan were in fact put in place. It appears that there was a delay, a gap, between phase 1 and phase 2 that created much of the problem that the auditor identified.

Can you talk to us just for a brief period, because I want to move on in terms of the strategic plan, about why phase 2, which was an integral part of the introduction of the individual health card plan, was not put into place when the government changed?

Mr Decter: There may be others here who can help me. That predates my time in this position.

Mr David Tilson (Dufferin-Peel): Revisionist history.

The Chair: It's important to look back.

Mr Decter: My impression, gained from my transition with Dr Barkin, was that phase 1 took longer than had been anticipated. That is, the registration itself turned out to be a bigger problem. Part of that may be accounted for by the reality that there turned out to be a good deal more people out there than had been forecast so that the target was a little bigger.

But there may be someone who predates me in these matters who can speak more specifically to that. I came into this position somewhat later. I can also take the question as notice, and we can try to get you a more detailed accounting.

When I arrived, we were in the difficult stages of trying to complete the reregistration. My earliest memory was, I guess the first week on the job, going up to our office on Yonge Street. There were 700 or 800 people who weren't very happy, standing in line waiting to register for cards, and this was attracting some considerable attention.

I think the general answer I can give you is that phase 1 took longer and that delayed us moving to do the enforcement issues. I guess the second answer I'd give you is there was a Peat Marwick study, and those recommendations were taken very seriously. That was about that time.

1020

The other answer I can give you is that we did change our approach on the information technology side. There was a rather ambitious overall plan to move to an Encounter system, which would have seen the single number in every transaction. For two reasons—one, the fiscal reason that we simply didn't have access to the magnitude of resources required and, two, because on examination I think our overall view was to take a building blocks approach to get the various pieces, first the registration database and second the drug program, before trying to bring it all together—there was not good acceptance of the Encounter card approach from the provider groups and we were not significantly automated on the billing side.

After discussion, our decision was to try and get more of the building blocks in place. I still think the decision to go to a unique health number and the decision to use that for all health-related purposes is fundamentally the right decision in every sense, but getting there turned out to be more complicated than I think the original strategic plan contemplated. But as I say, there may be others here who can speak more to the history of it.

Mrs Sullivan: I would like if the deputy, through his officials, can prepare something more of a report with respect to the time lines on the introduction of the program in written form or to present later to the committee. I think it's important to look at the issue.

In your testimony to the committee last February, you indicated that you thought the problem with a $20-million problem—that some of the figures which had been floating through the press and through others were inaccurate in terms of the difficulty in the entire health card system.

Yesterday you told us that indeed now ministry officials and those who are working with the registration system are looking at 100,000 cards which are suspect, with a potential of abuse of 1%. If we take the $1,400 per person per year figure, I want you to confirm to us that what you're saying to us today or at this appearance is that you're seeing the problem as being more of a $1.4-million problem than a $20-million problem, which you identified earlier. What is the problem? I think we want that clarification.

Mr Decter: Two things: I had undertaken yesterday to give you the updates of the registration analysis report and I have that. That was where I was quoting numbers from yesterday.

I would go back to what I did say when I was here in February. We were dealing with two ways of coming up with an estimate. I want to separate the two, because they're quite different. One is what is the difference between the number of people we believe to be eligible and the number of cards out there, and at that time we were debating 1.4 million and we were showing you that the actions we had taken had reduced that.

What I indicated to you yesterday is that the change in population comes very close to eliminating that, depending on what view you take, so there isn't any more a good basis on that side, in my view, for estimating that we may actually have fewer cards out there than there are eligible persons based on the numbers.

The other basis for looking at the fraud issue is to take all of the 51 individual studies we've done and in some way try and aggregate them up. When I was here in February, I didn't have the full report. What I had was a listing of the individual studies. I was asked the question and I chatted with staff over the noonhour and asked them the question, "What percentage are we finding in the individual studies?" and the answer I got was something in the 1% range.

I then, probably foolishly, tried to do a calculation on the back of an envelope as to how that would blow up.

I think what I specifically said was that we were finding stuff down around the 1% level, and depending

on what base you put that across, that might be something on the order of $20 million. I went on to say that if it turned out to be 5%, which we were finding in some other studies, it could be much as $100 million and I gave I guess at that point a personal view that I thought it would turn out to be in the lower end of the range. It's always hazardous, I guess, for a Deputy Minister of Health to give a personal view on anything.

The report which you have that arrived in March gave much bigger figures based on the work, and the updated report, which I think is the best we've done so far, gives a range which runs from some low numbers to some high numbers.

I can't give you a precise number, and I'm not sure that anyone will ever be able to, because as we tackle the problem we're hopefully going to reduce the number, whatever it is. But I think our best view at this point is that you can arrive at a range that runs from the level of about 0.14% all the way up to 1.5%, and that's the $24 million to approximately $250 million. So it is a wide range, and I think some of that's evident if you've read the report. We looked at the areas with the most probability, in our view, of fraud, whether it's border towns or people who've just received cards, so we tended to look at the most probable place, as you would, I think, in the normal course expect to find more potential for fraud in Kingston, adjacent to the border, than, for example, Hornepayne, which is a good distance from the United States.

That's I think the best we've been able to do. There are staff here who could elaborate on it. But I think, in fairness, I wasn't here in February trying to convince you of any particular number. I was trying to give you our best knowledge at the time, and I will continue to do that. I make no apology for it. That was the best information we had in February when we were here and we're now providing you with the best information we now have.

Mrs Sullivan: One of the things that I think we want to have clarified in some detail for us is indeed the strategic plan which will be put into place for continuing development of the health card system that will ensure that there is controlled access to only those people who are eligible for health care services and that the card can be used in another development phase for other purposes, including personal health care records, and that would be accessible to the health care professional and to the individual. I am very uncertain, from the testimony that you provided yesterday, that indeed there is a full strategic plan that has been costed, where the cost-benefit analyses have been done and, given the range that you're speaking about today of $24 million to $250 million of potential problem, if the measures which are now being taken are indeed appropriate. I think one of the poignant comments you made to the committee last February was that one shouldn't be spending 2% to solve a 1% problem. In fact the range of $24 million to $250 million of potential problem is an enormous range—it's 1 to 10—and developing a strategic plan that is fully costed, that has a time line and that's implementable and clear doesn't seem to be evident to us. I just wonder if you could comment on what kind of strategic plan is in place, how much costing is being done. You indicated yesterday that ministry officials had not calculated, by example, the cost of adding photo identification to the card system. What cost-benefit analyses have been done as a strategic plan is being developed, or has a strategic plan been developed? Are you just running by the seat of your pants?

1030

Mr Decter: No, I think I was very clear yesterday in saying that we had not developed our recommendations to cabinet, that that work is ongoing. It's also clear that we'd retained Lindquist Avey to give us some assistance in looking at various areas where we might need red flags in our system to detect fraud.

So the answer is no, we don't have a strategic plan fully developed and we don't have our costing fully done. There are some very major policy issues that will have an effect on the cost. That's not to say there hasn't been a great deal of work done, but it has been work done in preparation for having a full plan to go forward to the cabinet on this fall. So we're not there yet, and we do intend to get it right before we go forward with it and to consult widely with experts in the field.

I would just remind you that we're here at your invitation to give you a progress report; we're not here proposing a strategic plan. We will go forward to the cabinet when our minister is convinced that we have all the questions answered. We don't at this point.

We have looked at other jurisdictions, and we have gained enough confidence to believe the photo is well worth adding as a feature of a new card. But I would say to you again what I said yesterday: The photo in and of itself is not a panacea; it's a useful additional feature. So are the enhancements that we intend on an interim basis.

So you're quite right. I think it's fair to say there was a strategic plan in place when this was launched and there were some very big benefits identified and I think the auditor has been critical of the inability to fully identify those savings in what's taken place to date, which has made us very much more cautious about estimating benefits.

I think it's also fair to say that we've backed up to a building-block approach because we want the whole thing to come together and the grand architecture that had been contemplated at one point ran smack into the reality of implementation. It did not roll out as smoothly as anticipated and that has left us with some residual problems. To be frank, it would have been better to

solve the address updating problem before we started into the whole project, but it remains one that we now have to solve if we want the integrity of that database to be what it could be.

The Chair: I interrupt to use the Chairman's prerogative to ask one question, which I hope will elicit information for the whole committee. If you're going to bring forward a plan, would it be possible for the entire committee to see what shape that plan would take in its framework? I know this will go to cabinet. We're not interested in the actual details of the plan but what kind of process you're putting in place, or processes, within a framework or a general structure. I think that would go a long way informationally to assist the committee in knowing that you're tackling this problem in an efficient and cost-effective manner. Maybe we can't get to the questions of cost, but we can understand what you're doing in terms of the framework.

Mr Decter: I think I tried yesterday to sketch the elements of our overall approach. I think you're right, it's awkward—I guess more than awkward; inappropriate—for us to be here in advance of going to cabinet with the details of a plan, because our accountability in that sense runs very clearly to the cabinet. I think it might be a very good idea for us, once that plan has approval, to make it public and to share it with this committee in terms of laying out in a very open way all the elements of the strategy, with the exception that we want to be a little vague about particular security features of the new card since we're not eager to make that easy.

I think I want to reject the idea that we're somehow not pursuing these issues in a fairly organized way. The study that you have from March is the most thorough examination of fraud in the system that, to my understanding, has ever been carried out, and it has given us a great deal to deal with. The card issue is a much narrower issue that sits inside that, and that issue still has some decisions and some costing to be taken before we go forward.

I will say to you that I am somewhat sceptical about the merit of a detailed cost-benefit analysis in this field. You tend to get very large benefit forecasts that are largely cost-avoidance and you tend afterwards to have a great deal of trouble documenting that, I guess something our political scientists call a priori overdetermination, which is simply that at the end of the day it's hard to tell whether the new card, the new agreement with the OMA, the work of Dr Naylor, what one of a dozen factors could influence how much we get billed was really the causality. So we have a great deal of difficulty determining.

Obviously we have a base of these 51 studies which can be replicated a year from now or two years from now. We can look at whether those incident rates have come down.

But I have to tell you that it's easy to hire a firm to do a cost-benefit study. Most of the reality of those studies is what assumptions you make, and it's easy to assume that you're going to achieve something and then claim you've achieved it.

I think we are there. I'm certainly willing to give an undertaking that we would come back once we have a plan approved by cabinet on the card. If you want something more formal from us than the presentation yesterday on the broader plan, I think we could undertake to produce such a document for you.

But, again, it isn't as though we've got one area of the ministry dealing with this. The range of things on this issue involves virtually all of the areas of the ministry and different issues are being handled in different places. We have negotiations with the federal government around the eligibility and payment issue. We have work going on on utilization. I spent the early part of the morning with the OMA on the joint management committee on how we're going to deal with utilization issues.

I don't know if you're asking me, can we come back with a detailed plan on the card enhancements and the new card, which is the narrow issue, or you're asking, can we come back with a more comprehensive piece on the whole financial control and fraud detection and elimination, which is a much bigger piece.

The Chair: I don't want to take any further time because there are many people who are interested, but I think it would be possible to come back with just exactly how you're going to tackle this problem and set a process in place. For example, new cards, tendering that: Do you have a process in place that will determine what the best technology will be? This committee undertook some work back several months ago to examine that. We don't have the expertise to come up with a final recommendation that would satisfy, I'm sure, the in-house experts that you have, but we want to be reassured that you have a process in place that's capable of doing that.

I'm going to turn back to the Liberals and add three minutes to their time because I took it away from them, and then we'll move in rotation from there.

Mrs Sullivan: I can understand, Mr Decter, your scepticism about cost-benefit analysis, because of course that's only one aspect of the analysis of the entire process, but I feel that cost-benefit analysis is an essential part of a strategic plan, and what we see happening is steps being taken in the absence of a strategic plan. We heard promises yesterday, by example, that the photo card would be in place by December, we have an agreement with the OMA that eliminates the version codes and so on. So in the absence of a strategic plan, steps are being taken now on card enhancement and on some aspects of the financial and other controls, without a full plan that

appears to be in place. I think that's where the concern is. In the next round of questions, we want to ask more specifically about particular steps, but the concern is that there is no plan and that action is being taken that may well not prove to be viable in the absence of a full plan.

1040

Mr Decter: No, first of all, there was no statement here yesterday that a photo card would be introduced by December. The statement was that a decision would be taken by December. I think we were very clear that the introduction of a photo card would be sometime beyond December of this year, a date not yet established.

Second, I would frankly reject the suggestion that you can't take action absent a plan. All of the actions we're taking have to be actions that justify themselves on the action itself, and we are proceeding to do a number of things. I don't think you need a grand plan to understand that if the federal government were paying nine other provinces for something and not Ontario, it's sensible to pursue the federal government for that cost-sharing or for that payment.

I also don't think that, given repeated comments by the Provincial Auditor to the extent that the backlog at the MRC is too long and has extended and that's a problem, going before the Legislature with legislation to expand that committee is somehow invalid because of the absence of a plan.

I agree with you completely that we have to have a full, costed and logical and justified plan for any changes to the card, and I think that, frankly, is what we're working on. But there are a number of things that I think get us a return on the investment to date that are worth doing on an ongoing basis, and we have to undertake some amount of piloting. The technology that was demonstrated yesterday, you don't get the bugs out by studying it; you, frankly, get the bugs out by field-testing it and finding out what works and what the acceptability is to the provider groups. We're in that process, both with the swipe reader and the interactive voice response technology. It's got to be user-friendly and it's got to be cost-effective, and we are working on that. But this is a very big, complex problem and I make no apology for tackling the parts of it that can be tackled as rapidly as possible.

I agree that on the card front, yes, before we go to cabinet we need to have all of our costing done. We will do cost-benefit analysis. I'm just saying I, for one, am sceptical of the kind of large benefits that historically tend to get rolled up in those analyses; not that you shouldn't do them, but you have to balance that analysis against your experience in the field.

Mr Tilson: Mr Chairman, I'd like to continue on with the question that you asked Mr Decter, and that is, we had an OHIP system that didn't work, we had a red-and-white card system that obviously hasn't worked and now we're about to embark on a new system through stages, as you showed us in your presentation yesterday, to an interim card and finally to a photo card. I think the question the Chair asked is quite relevant, that we as a committee are looking at this topic, just as you are looking at it in your last few comments, having pilot projects, reviewing it with groups. This committee I don't think would be doing its job unless we understood, whether at the same time or before you make a presentation to cabinet—obviously, cabinet is going to make a decision, but I think it's fair game for this committee to receive information from you. Obviously, I understand you can't tell us matters of security, but I'm quite concerned that this committee is not going to have an opportunity to hear full details until after you have made a presentation to cabinet.

Mr Decter: Let me try, if I can: One, I'm delighted that this committee takes it seriously and is going to hear from a range of people, and we will follow what you hear pretty closely, and would be very interested in your recommendations around this issue before we proceed.

Mr Tilson: But we can't make recommendations until we hear details as to what you're going to do, and you say you're not prepared to tell us what you're going to do until you've had an opportunity to review this matter with cabinet.

Mr Decter: Let me see if I can walk down the road here a little more constructively. I can't share with you a plan that hasn't been approved by cabinet. We're working on that plan. We're consulting widely on the technology options and on the system options.

I think, frankly, it's wrong to say that the move from the OHIP system to the red-and-white plastic card didn't work and now we're abandoning it. I think the registration database worked fine. We're now looking at whether we could enhance the card itself by putting a photo and some other features on it. But the movement to a single health number, I think, has worked very well. It's not completed. We still have lots to do on it, but I'm not trying to avoid this committee. Again, I just say the choice of timing was yours, not ours. I'm happy to come back here in a couple of months and be more specific about the various technology choices as we get closer on them.

We have at this point only taken two decisions: that we believe a photo makes sense on the card, and that is largely based on the providers saying to us: "Without a photo on the card, at the point of service, we have a lot of trouble matching up people and cards. A photo on it is going to enormously enhance our capacity to do that," and on the Quebec experience, which is a year old.

But I'm not resistant to being back here in a couple of months when you've heard from experts outside and when we've heard from experts and before we go to cabinet. I'm not resistant to that. I'm just saying there

are some parts of cabinet government that I can't come here and put some of those tradeoffs on the table for you. I can certainly come back on the technology issues and on the system issues. I think those are very much, frankly, non-partisan issues in terms of everyone wants to get this right in terms of these enhancements.

Mr Tilson: I quite agree everyone wants to get this right and that's why, to be quite frank, this committee is concerned with the processes that have been followed. You came here in February to review the red-and-white card system and we were all very concerned.

In fact, we're even more concerned now. At that time, just as an example, you told this committee that there was a $20-million loss with respect to fraud and other matters, although you now tell us that was done on the back of an envelope, although you continue to stick to that information notwithstanding the fact that this registration analysis report has come out with a loss of $284 million. That was the following month.

To be quite frank, I'm concerned because I understand that members of your staff had a summary of the registration analysis project available when you were to this committee, and I guess we have good cause to be concerned, whether you're looking at $20 million or whether you're looking at a billion dollars, and quite frankly, the figures that are flying around this province, I don't know what the loss is. You have given figures, but there are all kinds of others report this. The registration analysis report by itself has talked about $284 million. Mr Chairman, I think your question is valid. Hopefully we will be pursuing that at a later date.

1050

I would like to pursue some of the issues. You've explained to us yesterday with your slide presentation as to the different stages, that the ministry intends to go through an interim process and finally to a photo system, and that is going to be done gradually, over a period of time.

My concern is some of the issues that have been raised in the House, particularly by Mr Wilson, our Health critic, and most of which are reviewed in the Registration Analysis Report, of examples of fraud, everything from non-residents using it, to the example that Mr Wilson gave, I think, earlier on in the spring on the woman in Kingston giving birth in Kingston one day and Richmond Hill the next, to people on welfare visiting multiple doctors to get drugs for resale on the street. All of these examples are given in this report.

It would appear, whether you're talking an interim system, an interim card or a card that's going to be changed over a period of time, there doesn't seem to be any plan that you have informed us of that's going to stop or slow down this fraud. Can you tell us what plans you have?

Mr Decter: Number one, and let's back up to it because I really will not be misrepresented on this point. I will read you what I said here in February on the issue of the number. I really frankly resent, in my attempt to be direct and forthright with this committee, that this would be taken as an attempt to mislead the committee, as has been suggested, not in this room, but in the assembly.

I came back after a lunch break. I spoke to the staff, the very staff that did this report, and I will quote you from the transcript: "Mr Burgess provided me with some figures over the noonhour. I asked the question, in the 50 studies we've done to date, what percentage of fraud are we finding? I'm overstating it. Fraud isn't there until you've proved it in a court of law, but what percentage of what we're finding seems to be suspicious? Despite our expectations, it seems to be down around the 1% level."

I then went through the calculation. "If you take $1.4 million times the 1,400 times 1%, we have a $20-million problem that we're pursuing. If you take it times 5%, then it's a $100-million problem. If you had to ask me on what I now know about how big is the issue of either fraudulent consumer activity or fraudulent provider activity, I think a good ballpark is probably in the 1% to 5% range and I would believe it to be, on the basis of the work we've done, closer to the low end of the range, that it's more likely to be in the $20-million range." That's what I said. That was based on the work we'd done to date, and I'm back with here with the numbers that are the most current numbers we have.

So I'm pleased to be here, but if the intention of this committee is try and make an issue of us providing you with the best information we have when we're before the committee, I can be very careful. We'll take everything as notice and we'll have every piece of paper that comes before this committee qualified. That's maybe more traditional in government. I haven't taken that approach here at any point. We try to be as direct and honest and yes, a month after I was here, we got a rollup of that report that came up with much bigger numbers. That report was not concealed by the ministry. It was received; we took action on it.

You ask me what our plan is. You cite the example of people using our health system to obtain drugs which they then sell. Larry Stump provided you yesterday with an overview of the automation of the drug program, which we hope to have in place within the next couple of months which will bring a halt to that practice. It will stop, at the point of service, someone from having the same prescription filled multiple times, which is a point the auditor has made.

So on the drug program side, I think we have a very clear plan. We've got a very good partner in Green Shield and moving forward on it. I think I've tried yesterday to describe the actions we're taking in terms of the health card, but I do believe we have a plan. We

are taking a number of very concrete actions; we have set up an investigative unit. So I understand the job you have to do, but I think we ought to be careful with these numbers. As we learn more, the numbers may move. They may move up or down.

Mr Jim Wilson (Simcoe West): With respect to the numbers, though, I guess the concern being expressed by my colleague is that, if not yourself, certainly Pat Malcolmson, the ADM, up until very recently, with full knowledge, one would assume, of the analysis project, was still using with the media the $20-million figure. Your ministry was still using that figure, sticking to it, at least as it was reported in the press. Now you've made it clear both yesterday and today that this perhaps is a misrepresentation to some degree of what the ministry's position was, but as you know, a lot of our information comes through the media when you're in opposition.

I do want to pursue what Mr Tilson's been talking about, though, and that's with respect to your plan. I don't think you're going to be deputy minister in two years. I don't think the NDP are going to be the government in two years. I perceive the ministry, while trying to clean up the database and do a bit around the fringes in terms of adding security, is dragging its feet on this, and I think you're dragging your feet on this.

I think that to find out yesterday that you're going to phase in photo ID—starting God knows when, because this morning you tell us it's not December, it's whenever—is foot-dragging. I can see at the rate that I think you're suggesting that it may take 10 years to phase in photo ID. I can also see in the case of my own health card, for example—I don't think you'll ever get my health card unless it's a sort of standard Ontario resident, unless you're going to do a recall of some sort. You tell us you're not going to do that. You've got, by the ministry's own admission, thousands of possibly fraudulent cards there. I don't think you're doing enough in terms of upfront verification still. Frankly, I think—

Mr Anthony Perruzza (Downsview): You're telling me in two years you're going to be minister and you'll clean it all up?

Mr Jim Wilson: Frankly, I think that's exactly what I'm worried about. Either a Conservative or a Liberal Health minister is going to be stuck where Mr Decter is in a couple of years trying to give the same answers that Mr Decter's giving this committee.

Interjections.

Mr Jim Wilson: I guess our frustration is we're running out of patience with this. I really would like a better answer in terms of what exactly you are going to do to bring in what I think is needed, which is a new system. Or can you at least give us a time frame on your phase-in? I'm not happy with it.

Mr Decter: Let me say—because obviously I wasn't clear enough yesterday. I said yesterday we hadn't taken a decision on the renewal cycle. We had taken a decision that we will go to a renewal cycle. That means everyone's card, whether it's three, four or five years, gets replaced in that cycle and then replaced on an ongoing basis like a driver's licence or a passport. So in saying that we haven't decided whether your card will be a three-year, a four-year or a five-year card, we have decided that there will be a renewal cycle. I think that's quite important. That's a fundamental change. We're not going to simply wait for everyone to move in and out of the province or for everyone who has a card to die so we can issue them to newborns. That process, at about a million cards a year, goes on. So we have, if you like, an implicit renewal of about 10%, something on that order, of the card base. We are going to move to a renewal cycle, and the decision will be, I believe, whether three, four or five years is the appropriate cycle. So, yes, as part of that we will obviously have to recall people's old cards or render them inactive, which achieves the same result once the system is put together.

But again, I'd come back to it and, I mean, I take your point. If I were here in two years, I'd be the longest-serving deputy minister of Health not only in Canada but in the history of the ministry for quite some time. This is not a job with—how should we put it?—a long life expectancy.

But I would also say I have a lot of respect for what my immediate predecessor undertook on this issue. The database is the right answer and is an essential part of this. We're now talking not about throwing away a huge investment in getting the database there; we're talking about some continuing investment to converge.

1100

I'll say that when I was here in February, we had quite a significant gap between the number of people in the province and the number of people in the database, and that was a legitimate, big concern of this committee. That issue has been significantly dealt with, both by our actions of getting ineligible cards off, numbers off, and by the population adjustment. So I'd say to you that I think a great deal has been done since I was here in February on this issue and I think you're going to see a great deal more done over the next six months to a year on this issue. The drug program automation will give us an enormous leg up on a big part of our active users of health care in the province.

So, do I share your frustration? Yes, I would like all of this to move faster than it's possible to move it, but we are not going to move faster than our ability to deliver. I think a lot of this turns on our ability to get proper assistance, proper information exchanges. Candidly, it's boring. It's not really exciting. It's much more exciting to convict a couple of people of fraud, and we're going to do that as well, than it is to arrange

a data exchange with Employment and Immigration Canada. But our real answers tend to lie in areas like data exchanges, getting people who are illegally in Ontario off our list of eligible people so that they're not using health services.

Mr Tilson: The data exchanges that you just referred to, of course, are itemized on pages 14 and 15 of the analysis project, which I think you have before you. At what stage are discussions related to those exchanges? What stage are we at?

Mr Decter: I think I've got it in the update that you were handed this morning. I think I've got an update of the data exchanges and I can walk you through them. It's on page 6 of the update.

In terms of Employment and Immigration Canada, in early November 1992, a memorandum of understanding was produced to enable the exchange of information regarding refugees and those who had been deported. The final legal wording is now being finalized to enable the exchange to take place on a regular basis.

With the Ministry of Transportation, discussions are currently under way as part of the discussions regarding cooperation between the two ministries in the reissuance of health cards.

In terms of the interprovincial, it is ongoing with all provinces for reciprocal billing purposes. An exchange of registration information with Quebec was initiated in June 1993.

With Health and Welfare Canada an exchange was initiated in June 1992; however, the federal legislation would not support the exchange for purposes of registration verification. The federal legislation has been amended and negotiations have reopened effective July 1993.

We have discussions under way with the office of the registrar general regarding changes to the newborn registration process. In addition, the information exchanges with the registrar general to ensure timely removal of deceased persons from our files were placed into production on a monthly basis in August 1992.

With the Ministry of Community and Social Services, ongoing exchanges with MCSS regarding drug program eligibility and reference numbers have brought to light a number of situations that are under investigation by its staff.

That's the status of information on the data exchange.

Mr Jim Wilson: With respect to smart card technology and your Encounter card pilot project, I very much am coming to the conclusion that photo ID is not the way to go and I'm worried that several million more dollars will be committed perhaps this year and spent over the next few years, as you say, phasing in that technology.

I hear Mr Pouliot, the Minister of Transportation, announce earlier this year that he'd like to go to a magnetic strip on the back of drivers' licences. We have social assistance cards, we've got the new ODB system to be up and running soon, seniors' cards, all kinds of plastic government cards out there. Your own analysis of the smart card pilot project suggests there is the possibility out there of one card for government services. We have Outdoors cards, and I'm told by a number of the people in the smart card business that really your imagination can fly with respect to what's possible. Can you tell us what you're doing and what coordination you have with respect to a card technology with other ministries?

Mr Decter: We have very direct discussions with MTO because of the photo issue. Management Board secretariat have been doing work on a government card, if I can use that word, to look at what range of programs they might be able to include. My impression of that, and you may want to talk directly to Management Board staff, is that that's on a fairly long-time horizon, but we continue to talk to them about it.

I think we've shared the evaluation of the smart card pilot with you. In addition to getting the evaluation, I did go and spend a day in Fort Frances with the people involved. Intriguingly, the biggest impact seemed to be not so much the smart card and what was on it but that it compelled all of the providers—the physician, clinic, the hospital and the pharmacy—to automate their own records, which they found to be a big change. Their comment informally to me was, "The smart card wasn't really the thing that caused the change; it was us putting our own house in order in terms of records."

I guess we're torn a little bit here between the obvious benefits of a card that would combine a number of government programs into a single card and the other reality, which is that you people are going to be mad as hell at us if we don't get the fraud issue in health dealt with—not just you individually but the OMA and the coalition of public sector unions, both of which have been quite active on this issue. So we are being pushed to move rather quickly.

There are a number of privacy issues once you get into a multiple-program card and a multiple-ministry card, and a lot of concern about cross-connecting databases that are connected for different purposes with personal identifiers. So in the same way that there's a balancing act, as I indicated yesterday, between the management issues and the privacy issues even within the drug program automation, those issues are there as well. As I said, there may be someone in the group who is more familiar with where the Management Board secretariat are on this issue at the moment.

Mr Jim Wilson: It's crucial that we hear from—

The Chair: I'm sorry, Mr Wilson; I allowed you three extra minutes. Mr Wessenger.

Mr Jim Wilson: On a point of order, Mr Chairman:

I would request that at some point we ask representatives from Management Board to tell us where they are with respect to government cards, because that's going to be the essence of our final report, I would say.

The Chair: Might I suggest, Mr Wilson, that you do have an additional period of time in rotation, and you could bring that point up at that point. Thank you.

Mr Wessenger: I was interested in your comments, Mr Decter. I just am somewhat in a cynical mood today, maybe because I'm not feeling very well, but what I'm concerned about is this fraud issue: Are we really fighting a perception rather than a reality? That's my major concern. I'd like you to comment on that because I know that individual cases often distort overall reality, and I'm very concerned that we may be putting too much of an effort into, for instance, the establishment of a new card. It seems to me like we're making very good progress with respect to information exchange, with respect to tightening up registration. If we're fighting a perception, perhaps it would be interesting to know—I'll just ask the factual matter of what the additional costs are of tightening up the auditing and enforcement procedure with respect to fraud, to know what costs are involved in that. I'd just like a comment on some of those issues.

1110

Mr Decter: Again, a general comment: We are not abandoning anything. We are looking at both pulling the levers we have available to us at the present by tightening the registration, by tightening eligibility, by enhancing the integrity of the registration database, and by automating as much of our interactions with the providers as we can, the physician billing system, the pharmacy system.

I think all of those things are worthwhile, all of those things will help on the fraud front. All of those things will make it harder, in several ways, for fraud to be committed. They will make it tougher at the point of service, they will make it tougher at the point of registration and they will give us an ability to analyse data and focus in on where the patterns are. Lindquist's main strength is that these are the best forensic accountants in Canada, people who've led white-collar crime fighting at the OPP, at the RCMP. They're very good at telling us where we're at risk in all of our systems and where we need to put our resources.

This is being carried out to date with internal resources. This very big report and the studies were carried out by ministry staff redeployed from elsewhere, and the ministry staffing has been steadily shrinking over the last couple of years. We have a hiring freeze, we have redeployment so, frankly, by automating physician billings, we free up some people who can then be helpful on these other issues.

You ask a very, I think, important question up front: Are we reacting only to public perceptions or are we reacting to the reality of a situation? I think both are important. The public, in any of the opinion surveys, are very concerned about the future of the health care system and their attitudes have hardened a good deal around abuse of the system, and I think that's fair to understand. A system that was growing 10% a year in spending was not a system that forced a lot of tough choices at the margin. As we've reduced the growth in spending, in fact flat-lined it, we have a lot more stresses among both consumers and providers around choices at the margin. We will be, for example, delisting some number of services. We're working with the profession and there will be a public process.

I think for all of those groups, whether they're consumer or provider, the idea that someone is beating the system is an extraordinarily offensive idea at this point in time, more offensive than it was back in the old OHIP premium days, where there was not this attention. When I talk to people who worked in the ministry 10 and 15 years ago, they said it really wasn't an issue then. It was not an issue with the public; it was not an issue, significantly, with the ministry.

I don't think we're only reacting to public perceptions. I think that, and the studies underscore it, we have found in a number of areas both things that we could tighten and we have also found evidence that looks very much like fraud and we are pursuing those cases. Our new investigative unit will pursue those cases. It's also just evident that, as you expand both the number of providers and consumers, unless you assume that as you have more providers they suddenly become more honest, you're going to have a small minority of providers who attempt to abuse their privileges as providers.

History would say our recoveries have increased over the years from MRC referrals. They're still not large on a system basis. We're talking a couple of million dollars a year, I think $2 million last year against almost $4 billion of billings. That is not high enough, from my point of view, to cover the kind of percentage you would expect to find.

So I think we have a real issue. As would be evident, we're not absolutely certain of how big it is, but it is significant enough to warrant some efforts, frankly, aimed at both dissuading the behaviour as well as catching it; I think, frankly, having some media attention around the reality that borrowing someone's health card and using it to obtain services is fraud, a Criminal Code offence.

We have tended to treat health fraud, I think, more gently. We've tended treat it as a case of overbilling on the providers' side and attempt to recover the money through a long process. Similarly, we have not been very tough-minded. Our hospitals haven't been very tough-minded. They have the major, along with physicians, point of contact.

Would we be going as hard at this issue if the economy were booming and the issues in health were more around managing growth than managing a flat-lined resource? I think probably not. But when you begin to say to people, there are very real limits to what we can afford to provide as a system, then I think every efficiency we can find and every management improvement we can find becomes very important to the ministry, to the government, to the assembly and to the people of Ontario.

In saying that we're going at this rather harder now than we have in the past, I don't believe we're simply reacting to a changed public environment. I think we're reacting to a very changed real environment for the ministry. We're expected to find several per cent of productivity improvement a year so that we can continue to invest in new hospitals, new technology, to fund midwifery, which is coming in. No one's giving me more money to do that. I have to find it from within, as does the whole ministry, and that takes us very squarely to the fraud issue, the overutilization issues.

Mr Wessenger: To follow up on the photo aspect, you indicate to some extent the photo card is to not only protect against consumer fraud but also provider fraud by clearly having evidence that if a provider has treated someone wrongly, you have the card as a backup for a prosecution. I can certainly understand that.

It seems that photos would be very inappropriate for infants and young children. Obviously, there's going to have to be an age cutoff with respect to photos and some sort of requirement that parents or custodial persons provide identification with respect to providing health care services to those persons.

Mr Decter: Yes. It will come as a shock to parents of any newborn, but they do all look a little alike. I remember going around with pictures of mine and thinking they were the most beautiful babies ever born. Looking back on those photos, they kind of look like everyone else's babies. But we are not planning to go at the newborn end. I think we're looking at an age start. I don't know if someone here can talk about whether we're looking at 16 or how that integrates with the driver's licence.

Mr Wessenger: On the question of new cards, I know you don't have any estimates of costs.

Mr Decter: Except generally.

Mr Wessenger: Perhaps you could indicate, are the major costs involved in the reissuing of cards on a cycle basis more so rather than adding a photo? Would that be fair to say?

Mr Decter: Let me turn to staff for some help there on what we do know about costing in terms of Quebec. Don't be bashful. It's a little lonely up here.

Ms Poole: Don't all rush up at the same time.

Mr Decter: That's it. Welcome aboard, Peter.

Ms Poole: There's loyalty, then there's loyalty.

Mr Peter Burgess: We've done some very preliminary costing of a variety of options, but they're very difficult to split out because, as has already been discussed, we want to change some of the basic information on the front of the card anyway, in an embossing sense, to put things like an expiry date and date of birth and so on.

Adding the photograph itself, over and above a straight, regular plastic card, would appear to be in the very high number of cents-per-card region, like 70 to 80, based on the sorts of volumes that we're looking at. Frankly, by the time you get into the law of large numbers, if you're doing some eight million of these as an approximation over some three or four or five years, that's a very large number of dollars. Frankly, however, the cost of the card itself is relatively insignificant in terms of the total cost of implementation and getting that card correctly into the hands of the correct consumer.

1120

We are grappling today with issues surrounding utilization of other ministries; namely, the Ministry of Transportation's facilities to perhaps take the picture, but still have not yet determined the appropriate solution for actually physically producing the cards. Does one take the picture in a variety of government sites across the province and only issue the card from a central site or does one take the picture at those remote locations and right there and then physically produce the card with the photograph on it? There are clearly some benefits and some drawbacks to each one of those two very easily understandable alternatives.

Frankly, we haven't come to the end of that discussion. I'm having a lot of discussion, as are my staff, with other jurisdictions—Quebec being one—including those who have used drivers' licences in the States. Our own MTO, of course, we're spending an awful lot of time with and, frankly, I don't have enough comfort level yet to say that we will definitely or we should, even, definitely do it one way versus an alternative way.

Mr Wessenger: Fine, thank you.

Mr Decter: I could give you the Quebec numbers just briefly on what we know. The unit cost for a renewal card is estimated by Quebec to be $4.10; the unit cost of a replacement card, $9.10.

Quebec, just on the previous point, exempts children under 14 and persons with disabilities from requiring the photo, and they don't charge for the initial card. They do charge a $10 card replacement fee but they exclude senior citizens for that. They are considering a penalty fee for registrants who don't renew prior to expiry date on their card. Based on that, we are probably talking in a $4 to $10 kind of ballpark, but it will

change depending on volume, depending on the method we choose to do it.

If you think about it, there are quite different methodologies in place. With your passport, you go and get a photo anywhere and get it certified. With your driver's licence, you go in and have your picture taken in a very specific place, so we're trying to canvass all the available options.

We're also faced with technology that is rapidly changing. Information technology is the most rapidly changing part of the technology world, which gives us, I guess, both opportunities and perils that will do something and it will be passed by with some integrated system.

Mr Robert Frankford (Scarborough East): Let me suggest that there are very different alternatives that could be looked at, and if this committee is going to be suggesting ways of going, for a start, let me observe that a lot of this is predicated on a fee-for-service system and not everyone is enthusiastic about that. I think a significant number of thoughtful physicians are asking to go off it and I think you would find that a lot of the need for this would disappear in non-fee-for-service approaches.

Although I totally agree with the need for registration, I don't think the advantages of registration in terms of epidemiology and rational approaches to health care, and some very cost-effective ways of dealing with medical problems have been mentioned here.

If we look at the identification of diabetes, let alone the more innovative things which are happening in Britain where seniors actually get an annual letter reminding them that they should have a physical—there's no cost to the system; in fact, that's ensuring that the system is getting value for money. These are things which I think we should be looking at. I think we got very much sidetracked into a fiscal transfer approach.

I could go on for a long time about this, but let me just mention one thing that occurs to me, this question of registration but not necessarily cards. The ministry is developing I think five comprehensive health organizations. It would seem to me that you could perhaps make a good case that the people belonging to a CHO should not have a card, if the advantage of a card is that you can go around generating as many costs in as many places as you want. That's really contrary to the intent of a CHO, as I understand it. Would you maybe consider that enrolment in a CHO, you actually give up your card or you have a new card or a new number or something?

Mr Decter: A couple of comments there: I did say when I was last here, and I'll say it again, that there are enormous values in having a longitudinal, over time, database with a unique health identifier. Manitoba took that decision when it brought medicare in, and as a result the epidemiological studies that can be done in Manitoba on diseases like multiple sclerosis, you can go back now a couple of decades with unique identifiers and you can trace diseases in family groupings. Manitoba is getting chosen as a site for some amount of research, so it's a very valuable thing to have. We're beginning to build that.

Clearly, the Institute for Clinical Evaluative Sciences will benefit as we have that database, so there is enormous value, not just in management terms but in health and health care policy terms and epidemiological terms, to having an ability to look at not just services but the course of diseases going back historically.

It's hard to quantify that and put a value on it, but some of the major breakthroughs in terms of new therapies, new drug therapies, even the discerning of whether a particular disease is passed along genetically or has some other causality is helped by that.

When it comes to the movement away from fee for service, you're right; we are moving in the comprehensive health organization direction and we have a number, as you would be more aware than anyone else, of health service organizations. We still need the registration there because essentially, instead of paying people for service, we're paying them for looking after the health needs—

Mr Frankford: I don't disagree at all. As I say, it's a vital record epidemiologically.

Mr Decter: Yes. We're looking at the issue and we negotiated some changes in the latest round around the so-called negation issue. If you're being paid so much a month to look after someone as a CHO and one of your group goes off and absorbs a lot of services somewhere else, how does that affect your budget? On the one hand we're looking at giving the CHO or the HSO scope to provide a different package of services; on the other hand, the kind of check on providing no services is that the person needs to remain eligible to go somewhere else. There's a balance there. It's tough to introduce a capitation model in, if you like, an oversupplied fee-for-service system, but I think we'll learn more as we move along. But I think in the first round it's not so much that you need to produce your card when you go to the CHO; it'll be important that you produce your card if you go somewhere other than the CHO so that—

Mr Frankford: Why is that, because presumably you would be only referred within that CHO process? Wouldn't it be better that it's a number transfer rather than carrying—I mean, it has a potential for eliminating fraud, it would seem to me.

1130

Mr Decter: I think our dilemma here is, and let me walk you a little down the road—say we are making

good progress on the CHO in Wawa, Ontario, and we get there and everyone in Wawa enrols and so on, then someone from that CHO without a referral turns up, presents at a doctor's office in the Sault or in Sudbury or somewhere in Toronto. Our concern is that we could be paying twice, in a sense, if we don't have some way of capturing that data; not to say there wouldn't be very legitimate cases where someone is—

Mr Frankford: If you understand what I'm saying, I think that if that person did not have a card, but if he or she were only electronically registered, then it would work better. The other provider would have to get back to the CHO to find a number, and I think this is strengthening my case that we should really not presume that cards are intrinsically good. I think one can argue that cards encourage an item of service, a go-wherever-you-want approach. Maybe we've tapped into people's perceptions that a credit card is perceived as something where you get things for free.

Mr Decter: I think you make a good point. We're really after getting people the most appropriate care as close to home as we can and having them looked after by a team of providers over a long period of time. We're not trying to encourage, in fact we're actively trying to discourage the kind of one-time use of walk-in clinics and hospital emergency wards.

Having said that, I think we do have the reality, in certainly the metropolitan parts of the province, of a very mobile population which gives us problems on the address side and some real issues there. But you raise a good point and we are working through how that relationship between the CHO and its enrolled population and the rest of the health system will work.

We're also trying to link needs and resources in the north so that we're flying fewer people out of the north for services and having more northerners get the services they need from northern providers. So that's a very good point.

I don't think we're trying to encourage a credit card mentality about this in the sense of, "It's free and you're going to get as many services as you can." I don't think most people want more medical services than they actually need, but I do think we have the reality now that it is a credit card and we're trying to tighten the management of it. At the same time, we're looking at models that would be less transaction-, less fee-for-service-based, more continuum-of-care-based. It's certainly not our intention to try and drive the use of the card into areas of the system like public health, for example, where we're providing an approach that looks at healthy communities. On the other hand, the information is very valuable in giving us a map as to how resources really do flow in the system. So there's a bit of a balancing act.

Ms Poole: I'd like to take a look at the registration system. We've already heard yesterday and this morning that in 1985 we had a situation that there were 25 million OHIP registrants in less than 10 million population. I was looking through your registration analysis report this morning to see how the new red-and-white card system compared to that, and there's a paragraph that says: "This leaves about 10.8 million people registered in Ontario with medicare coverage. This is within 6,000 of the Ministry of Finance's current estimate of the provincial population." That's on page 1 of the executive summary.

Earlier this morning, a member of the third party said that the OHIP registration system was a failure and the red-and-white card system was a failure, but I would estimate that if it's within 6,000 of the current estimate of the population, that's actually a fairly small percentage. Could you give us some more details of that? Is that a fairly small percentage?

Mr Decter: I think again we will give you the most up-to-date numbers we have. I think if you look at two charts that were provided yesterday—I'll hold them up to remind you of them. One looks like this and one looks like this—

Ms Poole: Mine wasn't coloured.

Ms Sullivan: Yours looks better than ours.

Ms Poole: Can we trade?

Mr Decter: I could you the coloured ones. We probably didn't make them in colour because we didn't want you to think that we're extravagant in any way. I'll let maybe Peter speak to the issue of the difference between the two estimates.

Mr Burgess: Quite simply, the numbers changed in a major way in May 1993, effective in June, and that was as a result of Statistics Canada changing its basis from the 1986 census to the 1991 census. In fact, what happened as a direct result was that a difference 599,700, I believe, to be specific, was added to the base of believed Ontario residents in June 1993. We have in fact, since about last December, been talking to the Ministry of Finance, formerly Treasury and Economics, staff to make sure that our numbers were or were not correct.

We still, frankly, at the detailed level, have some concern, but at the overall level we're satisfied that while it's a bit like grappling with Jell-O or trying to hit the proverbial moving target, we are relatively satisfied that at the grossed-up level our numbers are reasonably close, in fact very close, and are reasonably consistent. So while we have some specific concerns within that population of 10.6 million or 10.8 million, where it looks like a subset of that 10.8 million, as we see that subset on our database versus Treasury and Economics or Ministry of Finance's projections appear to be a little bit off, at the grossed-up level it appears that we are okay.

That's all I'd like to say right now, other than the

fact that clearly it's not something we're prepared to drop. We need to work on that to make sure that even at those individual levels, we do accurately cross-check.

Ms Poole: Just one other question, because I know our critic has a question she'd like to ask right now: It was originally anticipated that registration would take about a year and, Mr Decter, you mentioned this morning that it did take longer because of other factors, including a larger population base than anticipated. I'd like to know that once it was considered completed, given the fact that it never is completed, but primarily completed except for new births and new people moving into the province, what steps were taken at the time of the completion to verify eligibility and to eliminate fraud? How many people, for instance, worked in that particular unit that looked at that aspect? What kind of funding was granted to that unit in the 1991-92 fiscal? The last figure I could understand you wouldn't have readily available at your fingertips, if you want to provide that later.

Mr Decter: We could certainly provide that. I'll let Peter give you what we have, but I think on the specific budget numbers, we could try and get that for you.

Mr Burgess: I'm not sure, actually, whether this made it into your executive summary, because I haven't seen the final copy. However, in terms of historical background, the initial registration started in fact in April 1990 and was, as I said before, "completed" by January 1, 1991. In April 1991, that same year, a very small unit, approximately 12 people in the then existing client services branch of the health insurance division, was given responsibility for verification.

I should also state that in the fall of 1990 and the spring of 1991, the two audits that our deputy referred to, the Kates Peat Marwick audits of both the initial registration activities and the ongoing registration process were completed and presented in April 1991. Between April 1991 and May 1, 1992, when the branch I currently head, the registration program branch, came into effect, the total funding was sufficient for 12 full-time individuals within the Ministry of Health.

1140

Mrs Sullivan: I want to move to the security enhancements at the point of service and to move back to the recent OMA agreement which, among other things, included the elimination of the version code. The version code was added at one point to enhance the personal identifiers and draw to attention the problem with duplicate cards, by example. I wonder what analysis went into the agreement to eliminate the version code at this point in time when other steps to improve the security of the card will not be put into place until significantly, or perhaps somewhat, later points in time.

Mr Decter: I think you may have a bit of a misunderstanding of timing on this. The agreement reads that there is a series of undertakings. Undertaking 10 by the government is ensure use of the version code is discontinued for health cards with photographs. The version code will not go until the photo arrives. Essentially, we're looking at the cycle and other measures to replace the version code as a security feature. So we're not getting rid of the version code now. The version code will remain until we move to the photo, which essentially replaces it.

Mr Jim Wilson: Mr Decter, I saw on the news this morning that New Brunswick is now producing photo health cards. I was wondering if you've had contact with the Department of Health and Community Services in New Brunswick. You've mentioned that you're communicating with Quebec. I'm wondering if it's the same type of communication with New Brunswick, since they're going through similar debates in their province right now. In fact, as I understand from just the news piece I saw, they are producing these cards.

Secondly, with respect to the OMA agreement, I think you began your remarks yesterday by talking about convincing people not to go to emergency wards if they just have a cold. You were talking about utilization, and perhaps overutilization by some people. As part of the news piece on New Brunswick this morning, they also mentioned that they would be sending people a copy of their bill. Health care consumers would, on a periodic basis, receive an invoice letting them know what they cost the health care system. Is Ontario considering a similar process here?

Mr Decter: The simple answer is yes, on the statement. We're looking at the experience Sunnybrook has had as a hospital doing that. We're not all the way there on the ability to do that. It's currently done as part of the MRC process on small samples; that is, when they're looking into a particular practice, they will send statements to patients for verification. I think we do want to explore that. I know my minister is very keen to know when and on what basis we'll be able to do that for health services.

With regard to New Brunswick, I am seeing my colleague deputies next week and will pursue it then. I understood they were planning an announcement on the photo card. I didn't know they'd actually made that announcement yet. I think it's fair to say we're not the only province in which this has become quite a live issue. Peter may want to add to that.

Mr Burgess: I was just going to add that back in the latter part of last year we had some extensive exchanges by phone with New Brunswick about their problems, and they surely were facing the same sorts of issues that we were facing, but since then we haven't. I also must have seen the same news broadcast this morning, but I took the news clip to say their announcement would be made next week as to whether they did in fact have a photo on their card or not.

Mr Jim Wilson: Except that the images that went with the story showed the actual machines producing the card.

Mr Burgess: They showed the machines producing the cards in Quebec. They were Quebec cards.

Mr Jim Wilson: Oh, those were Quebec cards. I was misinformed then.

Mr Tilson: I'd like to return to an area Mr Wessenger had started, and that is with respect to fraud. Mr Decter, you indicated that you agreed the ministry has to start getting tough on fraud. I'd like you to provide details specifically as to how the ministry intends to do that. I believe there's only been one charge, a Kingston charge, in the last number of years dealing with fraud, and that came from a criminal investigation.

Mr Decter: Let me walk you through what steps were taken. We have established an investigative unit, and we have an individual to head that unit. He's come over from Environment and has a background in law enforcement. We'll be relying on his advice and the advice of Lindquist in terms of how big that investigative unit should be. We want to have some sense of how to properly size it. The role of the unit will be the link between our program areas and the relevant law enforcement authorities.

There have actually been more charges and convictions. I think the distinction here is between charges that are laid in response to a hospital or someone out there. In the case of the recent case in Kingston, although we were drawn into it and played a role in it, the alleged fraud was, in the first instance, against a hospital. There's an awkwardness there that in many of these situations we are one step removed. The fraud against us isn't really committed until someone tries to bill us for the service; the fraud is immediately committed against the hospital.

There has been some reluctance on the part of various policing authorities to jump in on these cases. I think one of the aspects of having someone with that background in the ministry heading a unit is to develop the kind of linkages that will get our cases (a) on our side, get the evidence gathered in a way that it can be used in a proceeding, and (b) on the external side, have the linkages and relationships there. Candidly, there is a bit of competition for which cases will get pursued.

Mr Tilson: But you believe that some cases will be, because it appears to date there haven't been any.

Mr Decter: There have been a handful of cases: four.

Mr Tilson: I didn't realize that. I thought there was just the one and that was the result of criminal investigation, the Kingston one. However, I don't want to debate that. Whether it's one or four, and you're talking of fraud of $284 million or $700 million, whatever you're talking about, I guess the question is the issue of deterrence, what procedures, what plans we have. Are people going to be required to pay moneys back that they have defrauded the taxpayer out of?

Mr Decter: There are two different regimes one falls into here. If one commits fraud, that can be pursued under the Criminal Code, and the penalties there are quite severe. They're obviously discretionary at the hands of a judge following a conviction, but they run up to 10 to 14 years' imprisonment or the relevant penalties, as well as fines and restitution. Under the Health Insurance Act there are much more modest penalties. On the consumer side, frankly, our intention with the investigative unit is to put these cases as they develop much more directly into the criminal side, both for deterrence value and also because they are fraud. Historically, that hasn't been—maybe I should get Gilbert up here to give us a history lesson on this.

On the provider's side, under the Health Insurance Act, we've tended to refer physicians to the medical review committee, which has been a bottleneck.

1150

Mr Tilson: Why has it been a bottleneck?

Mr Decter: Because the size of the committee was set in statute some 20 years ago at eight and there's no capacity to expand the size of the committee. Bill 50, which we have in, would let us expand the committee. It's just simply that eight people can only deal with so many cases. That backlog, as I indicated yesterday, when the auditor wrote about it in 1990, was 20 months. It's now 37 months. That's not something the profession is very happy about either. It leaves anyone who is referred with this three years of uncertainty. The amendments that are in Bill 50 would allow us to expand the committee.

We also have the capacity, as yet not frequently used, maybe not ever used, to directly refer something that appears to be fraud to relevant policing authorities. Maybe Gilbert could expand on that.

Mr Tilson: Have we got time for some elaboration, Madam Chair?

The Vice-Chair (Ms Dianne Poole): You have approximately one minute, maybe two.

Mr Gilbert Sharpe: The only thing I would add is that you raised the question of how do we get this money back from members of the public who've defrauded the system. Apart from the criminal penalties the deputy has referred to, there is of course scope for civil action. I would assume that if we had a basis to establish some kind of order for restitution under criminal, but also civil liability for defrauding the system, an action in tort of some kind would be pursued and we would one way or the other be able to regain the money that had been defrauded.

Mr Tilson: In short, though, you are preparing a

plan, because obviously, whether it's one or four, there doesn't appear to be any—or very few—charges against individuals who have defrauded the province of Ontario of substantial amounts of money.

Mr Decter: Yes. As I said, it has historically not been the case that there's been a desire to pursue these.

Mr Tilson: Can you provide the committee with some sort of details on that at a later date?

Mr Decter: In fairness to the head of our investigative unit, Mr Sudds, we only got him over from Environment, which has had a very aggressive track record in recent times in pursuing cases, as of September 1. His history is not solely in environment. He has a history in law enforcement prior to that. He's joined us. Karim Amin, our head of internal audit, is leading our effort to develop that plan. We have retained Lindquist Avey, as I mentioned, to help also. So we now have at least a leader for the team in place. Again, we don't have a full plan for the investigative unit, but we are already, frankly, thanks to the publicity, getting a steady stream of cases coming at us from the public, I think some 150 to date, so we've got a good basis to build on.

I should just underscore that my minister is very determined on this issue and wants to see a great deal of action rapidly, so I can assure you this will have a lot of attention. It has already got a lot of attention, but I expect you will see a lot more charges laid. We want to be sure that we aren't just laying a lot of charges or causing charges to be laid, but that we actually have the evidence in place so that we get convictions. Otherwise, the credibility of this initiative will be short-lived.

Mr Tilson: That's why we're all here.

Mrs Sullivan: Could I have a short supplementary just before we're finished this section? Could you tell us about the process of actually laying the charges? Do you have to go through the Attorney General to lay the charges?

Mr Decter: I'll let Gilbert answer, but I think it depends on who is laying the charge.

Mr Sharpe: If, for example, in the Kingston case, the hospital discovers the fraudulent card, then the hospital would contact the local police. The police in the normal course would investigate, presumably come in with a search warrant to look at records and obtain possession of the card and so on, as in any other normal kind of investigation. If, as the deputy indicated earlier, someone fraudulently attempts to gain payment, then we could directly involve the police and provide them with the necessary evidence, pursuant to law enforcement provisions and FOI which permit us to do that sort of thing.

Mrs Sullivan: So in fact the Ministry of Health does not launch that prosecution.

Mr Sharpe: No, my understanding is that initially the hospital would contact the police and bring them into it.

The Vice-Chair: Since the Conservatives went two minutes over and since Mrs Sullivan has had a Liberal interjection for a couple of minutes, I'm going to add two minutes to the government caucus's time.

Mr Larry O'Connor (Durham-York): It certainly is interesting to go through this public process of trying to take a look at the health care system that we have and some of the problems that we face. I know that my colleagues feel some amount of frustration. I know that they'd like to see the documentation before it gets to cabinet. We're hearing that today. I know Mr Callahan probably is relieved that he's actually had some impact through this committee in the use of a full proper name on the card.

Mr Robert V. Callahan (Brampton South): It's the first thing I've accomplished since I've been around here.

Mr O'Connor: So we're actually having some impact here at this level of discussion.

Interjection.

Mr O'Connor: Excuse me, Mr Wilson. I have the floor. As has been suggested to me on occasion, the Outdoors card that many Ontario residents do have has an identifier on it that identifies—

Interjections.

Mr O'Connor: It has your height, your weight, your hair colour, your date of birth on it. I just wondered if that, as opposed to going straight through to a photo ID, would not offer the same unique identifier that would be necessary to do the same, I think, very credible work that can be done as you'd suggested in your discussion with Mr Frankford about the research.

Mr Decter: I think Peter may want to comment. One issue is that the health card is a card for everyone, looking at the total population. Yes, there are other cards and you named one that has a good deal of information. I couldn't give you off the top the total number of those cards, but I would expect it to be a much smaller percentage of the population, and that's an issue.

Mr Burgess: Clearly there are a number of issues that the card attempts to address. One is obviously an identification issue, and the other, in our particular case in the Ministry of Health, is a payment issue, a payment for services rendered. That's why the card has a number and that's currently why the card has a version code.

I guess, when you break down the identification side of the equation, the Outdoors card has chosen to put identifying features on the face of the card in an embossed fashion which attempts to identify the cardholder. Because, after all, you have to have a permit to go and shoot something or catch something in Ontario for which you pay a certain fee.

At the time that we implemented the card in 1990, we clearly did not think at that time that identification would be an issue; an identification in terms of dates of birth, hair colouring, eye colouring or whatever. It's quite clear that identification has become an issue over the last little while, and we have considered, from an identification perspective, the option of including height, weight, hair colour, eye colour, embossed on the front of the card.

1200

We believe that if you're going to go to that trouble, that expense, to have a form of identification which still doesn't really get you much further down the line, you might just as well take the next step and add the incremental cost. As I said, the incremental cost is relatively small to get a photograph, which is a much better identifier if that's what you're interested in.

Mr O'Connor: The question, though, that I have, would that type of an identifier then allow the epidemiological work that Dr Frankford suggested to take place using that type of an identifier? I don't know whether a photo ID will add to that aspect of the card.

Mr Decter: No. Let me separate between the vehicle, if you like, of the card and the number. The thing that gets you the big gain in terms of management of health information and epidemiology is having a number to which you can link all of the services that have been provided, a number that corresponds with a unique individual. That's the piece of it that was the big advance in the last few years, and that's the piece of it that isn't under any question other than the steps we can take to enhance the functionality and integrity of that database.

The question of what the individual has in addition to his number is the question of the vehicle, and that's the question of, is it better to put a lot of written information on the card, to put it on a mag stripe, to put a photo? That's quite separate from what information you have and what you're able to link in the database, and is more concerned with the issue of someone inappropriately or fraudulently obtaining services, someone who's not an eligible person. That issue isn't going to affect the general use of the database for epidemiology.

I should, if I can, piggyback one additional answer on the previous question. In the Kingston case, the hospital called our 1-800 number to seek advice, and frankly I think that just underscores how new this whole thing is for the system, that a hospital would essentially call us for advice on what to do about a fraud case. Our advice was to get the local police and provide them with the evidence and let them lay charges.

Our line isn't turning out to just be a line that an individual can call to say, "Hey, I think the person across the street is doing something illegal." It's also turning out to be a resource for our partners out there.

Mr Frankford: I'd like to continue with at least raising the possibilities of non-fee-for-service and non-card approaches. I think this will be more just a discussion with the ministry, but will be part of the broader discussion that this committee is going to have.

Perhaps I could draw to people's attention an article in the most recent Ontario Medicine, a proposal by Dr Rosser and Dr Forster, who are the chiefs of family practice at U of T and the University of Ottawa respectively, which is proposing essentially a universal primary care registration approach. I'd be happy to provide the article and perhaps it could be circulated. Are you aware of this?

Mr Decter: Yes. We have a good deal of advocacy from a number of directions on changing essentially the basis of payment for primary care. I think there is a sense that fee-for-service for surgical and other specialty procedures has considerable merit, but there's a lot of questioning, not just in Canada but internationally, and there has been some significant movement away from fee-for-service in a number of other jurisdictions.

You mention one piece, but essentially the College of Family Physicians of Canada have come forward with a mixed payment model that would combine some capitation and some fee-for-service features. We have a major project under way in the ministry with a lot of external involvement looking at what we're calling community health framework and, as part of that, we are looking actively at primary care. We've also agreed, under the OMA agreement, to have a task force to look at the financing of medical services, which will look at other jurisdictions internationally and nationally over a fairly compressed time period and make some recommendations.

I think it's becoming more and more accepted by people who are in family medicine that fee-for-service may not be the best basis for payment, that it doesn't allow substitution, doesn't allow, to the extent necessary, teamwork among different providers. The health service organization and the comprehensive health organization are both different models that look at a different approach, more of an envelope of funding.

I think there is continuing advocacy. I think it's also our observation that the new graduates in family medicine are much more interested in a different basis of payment. We will be going to a salaried approach rather than—our approach in underserviced areas historically has been to top up fee-for-service with some additional money to try and get people there. Under the agreement with the OMA, we will be going to a salaried approach with a negotiation to essentially say to physicians who would go to north or other underserviced locations, "We will take away your risk of establishing a practice by paying you on a salaried basis."

That, for the new graduates, has a great deal of appeal. We are dealing with, I think, a bit of a

generational problem. My guess is if you surveyed physicians over 50 years of age in the province in general practice, they would heavily favour fee-for-service. If you surveyed physicians under 35 or under 40, they would be much more in favour of a different basis of payments. I think you will see that change happen. This was an issue of enormous contention five years ago, 10 years ago, with the profession. They were really not very keen. There's now a great deal more openness and some advocacy on at least part of the profession's behalf to move to different payment methods.

Mr Frankford: I think we can agree that a salaried system is really not defraudable.

Mr Jim Wilson: You can go golfing.

Mr Frankford: Mr Wilson says—

Mr Jim Wilson: You might go golfing.

Mr Frankford: That's very true. It requires some different approach to professional accountability, which I think my colleagues in the profession would very much welcome. Leaving the cynicism aside, I think that this has the potential for doing a whole lot of good things and taking away the fraud, unless Mr Wilson wants to prosecute doctors for goofing off.

Mr Decter: Let me say that there is certainly some appeal to moving to a system where you will be paying people for looking after a group of patients. I will say that I had a visit a few months back from the head of one of the large health plans in Israel. They're on a totally salaried-unionized physician basis, and much to my astonishment he was saying that they were thinking of moving to fee-for-service to try and get some reform in the system, that they felt they weren't getting the appropriate care they needed.

Interjection.

The Vice-Chair: Actually, Dr Frankford, I think we're a couple of minutes over. We've kind of rambled a little near the end.

Mr Decter, I believe you have to leave around 4 o'clock today. Is that correct?

Mr Decter: A little earlier than that. I have to catch a plane. I should probably be out of here somewhere between 3:15 and 3:30. Patricia Malcolmson, who is standing in for me at the joint management committee this morning so I could be here, will be back for 3 o'clock and can certainly deal with all of these questions for that balance of time.

The Vice-Chair: I think we should reconvene sharply at 2 to make the most of our questions. Mr Callahan had suggested we meet earlier.

Mr Callahan: One o'clock. It's essential that we have as much time with the deputy minister as possible.

The Vice-Chair: Is that agreeable to members?

Mr Callahan: Sorry. Did you preserve that for posterity or would you like me to repeat it again?

The Vice-Chair: First of all, as a courtesy to our witness, the deputy minister, we should ask him if he would be available to come back—

Mr Jim Wilson: For me, 1:30 would be better. I have a meeting.

Mr Decter: That's fine. I will eat my salad faster.

The Vice-Chair: Okay. We will adjourn quickly so you can eat your salad and we'll reconvene at 1:30.

The committee recessed from 1210 to 1336.

The Vice-Chair: I'd like to convene this session of the standing committee on public accounts. We have as our witness Michael Decter, deputy minister of the Ministry of Health.

Mrs Sullivan: I had begun in the last round of questioning to look at some of the initiatives that the government had agreed to, in association with the OMA, in the last agreement. We spoke about the elimination of version codes once the photograph was introduced. I'm interested, just by way of comment, in the fact that that agreement was made before cabinet has approved the introduction of the photograph, in the first place, and would extend, if I understand the testimony that's been provided to the committee, beyond the life of the OMA agreement, in that I think we've had a guesstimate that the photo cards would not be completely implemented for perhaps as long as five years, which is longer than the time line of the committee.

I'm going to ask the deputy this: How much money, or can it be quantified this way, has been saved through the introduction of the version code, which was one of the first steps taken to tighten up the verification; in other words, what savings in claims have been made at this point in time? As well, to move into another section of the OMA agreement with respect to the good-faith payments, the OMA agreement would allow payments to be made under the former J-8 rules for claims which were submitted for services to uninsured people. I cannot find in the documentation any estimate of what the cost would be for continuing to make those payments, other than those which have previously been estimated for good-faith payments to hospitals, which are about $1.9 million a year. I wonder if we could have some clarification of those two issues. What are the costs associated with those areas of the OMA agreement?

There are other costs we would like to know about. The government has committed to a one-time cost for extending swipe reader technology into the hospitals. We'd like to know what the costs of that would be. What would be the cost, which I understand would be borne by the government, although the deputy may want to correct me on that, for making the interactive voice response technology available to all physicians be? If

the government is not going to cover that cost, what arrangement has been agreed to with physicians in terms of the introduction of that technology, and who pays for it, and who pays for ongoing maintenance etc? What dollar costs would be attached to a public education program dealing with the use of the cards and registration for cards?

Those are mainly dollar questions, but we have not heard any testimony before the committee about the initiatives that were agreed to in the OMA agreement, and if the deputy would like to further add comments with respect to that agreement I think the committee would be very interested in hearing them.

The Vice-Chair: Mr Decter, do you happen to have that information with you at this time, or would some of it have to be provided in writing?

Mr Decter: I can make some general comments on the agreement between the government and the Ontario Medical Association, but I think specific costing of specific items we would want to provide on a written basis; in some cases, it depends on agreements yet to be reached on implementation. The joint management committee is having its first meeting today since the signing of this agreement in early August and there's a good deal of work to do to develop the specifics, but we would have costing in response to the questions asked and we could provide that in writing.

A general comment I'd make on something in the preamble: While it's true we have not gone to cabinet and won't go till later in the fall on the health card enhancements and the photo card as a total proposal, all the items in the OMA agreement were before the cabinet frequently during the negotiations so that, as often happens in our relationship with groups external to government, some amount of policy was made in the process of reaching the agreement. There's certainly nothing in here that wasn't under way, but I think it's fair to say that the cabinet, in approving the negotiating mandate and in ratifying the agreement, did make a number of policy decisions. That's one of the dualities we have in the ministry: As we do more business by way of partnerships and agreements, we tend to make some decisions in terms of cabinet approvals that way. So the basic decision to introduce the photo card was taken and is embedded in the agreement.

Some of the other issues yet to be determined: Obviously, we have to sit down and work through, with the Ontario Medical Association and the Ontario Hospital Association, what we've learned from the swipe card pilot project that you saw illustrated yesterday, and then how we can work on which hospitals we should put that technology into and how rapidly.

One issue you've asked about that we may have an immediate answer on. I did provide you yesterday with the overall value of the claims rejected for having incorrect version codes, the $105 million and the 5.7 million claims, and I did indicate that the majority of those claims are resubmitted with correct version codes. Someone in the audience may be able to give me a percentage on those that are not resubmitted; failing that, we will get it for you in writing.

I'm being advised that it's about a 90/10 split, that is, about 90% of the claims that are rejected for having an incorrect version code are subsequently resubmitted and 10% are not; that would tend to suggest a value of about 10% of $105 million.

I guess what I'd say, though, is that this is not a pure cost. In agreeing to this package of measures with the OMA, we believe we will have the system significantly cleaned up, and I think that's evident in the graph that I provided yesterday. In essence, when we started in February rejecting incorrect version codes, we were rejecting in excess of 5%. That's fallen off to 3% as physicians and hospitals have kind of cleaned up their records in terms of patients. We expect, with the additional things we're doing, that that will get further cleaned up.

So our saving in the front end is larger than our loss but that saving will diminish as time goes by, and we believe that with the additional measures contemplated we are not, in agreeing to make the first payment under the J-8 rules, incurring an enormous additional future cost. But we will get those numbers for you.

Mrs Sullivan: Could you give us some rationale for the portion of the agreement that would once again have the government paying for hospital-based claims under the J-8 policy? Why was that a part of the agreement?

Mr Decter: I think the most general comment I can make is that the agreement involved both sides moving a good distance from original positions and that you have to see the agreement as a package. Having said that, I think the policy logic which was there under J-8 and would be there again is that in providing the first payment we are not putting the provider in the position of being out of pocket for a less than perfect situation.

I would note that under clause 11 of this part of the agreement it isn't purely that we're going to—well, I'll read you the clause; I think it sets out a balancing act. "Pay under the former J-8 rules claims submitted within the same billing cycle for services rendered to currently insured persons who subsequently, by virtue of law, become uninsured persons. In return for this one-time payment, physicians will provide to the ministry the address, date of birth etc of the person who is no longer eligible."

We're contemplating here that some people may lose eligibility, for one reason or another, and in essence our quid pro quo with the physicians is that they will let us know that, they will let us know that a patient has moved to Florida, and in return for that we will make the payment under the former J-8 rules. A slightly

different regime in terms of services in-hospital: Again we contemplate an information exchange, that what we will get from the hospitals and physicians is information, address, date of birth, name etc, which will allow us to improve the accuracy of our records.

I think our overall view here is that we would like to be paying claims only against eligible health numbers. As part of an effort to get the system cleaned up, we took first the unilateral action of stopping payment; that followed a couple of years of paying all the claims on a good-faith basis. We're now going some distance back to the middle, where, in return for information that will allow us to enhance the database, we will make the payments.

Mrs Sullivan: It appears that you're contemplating that providers and health care facilities would have the authority to demand the card and destroy the card as well as to report evidence of fraud or of misinformation to OHIP. What legal authorization do providers and facilities have to do that? What would their liability be for being an agent of the government in terms of its enforcement mechanisms? Is there a legislative change required to ensure that the health care provider becomes a part of the enforcement system?

Mr Decter: The direct answer I'll give you is that have not fully come to a conclusion on that. As you'd be aware, there is a private member's bill currently introduced in the House that addresses this issue. We are currently examining, under the current statutes, what authority we have, and there are some grey areas around ownership. We are looking at all of the options, both legislative and non-legislative, to both protect providers and to ensure that there's clarity of their right, their ability, to seize and destroy a card or seize a card and return it to us.

We have given the undertaking in the agreement to the physicians that we will provide a detailed mechanism by which a physician can report detected or suspected fraud without incurring liability. I think we've reached the conclusion that you could do this through legislation. We are currently studying to what degree we could implement this without additional legislative authority.

1350

Mrs Sullivan: Are you contemplating regulation in this area?

Mr Decter: I think we're looking at all of the aspects. Gilbert is here and could speak to it, but I guess there are, as a non-lawyer, aspects of contract law. Clearly, when you sign for your Visa or your MasterCard, we don't pass legislation to protect that transaction; it's protected, I take it, under contract law that you essentially acknowledge who owns the card and so on at the time of receiving it and their ability to retrieve it and so on. So we are looking at both our existing statutes in terms of authority and also whether there's some contractual basis on which this could turn.

Mrs Sullivan: There are two areas that were not specifically included in the OMA agreement that the OMA has formally and informally registered some concern about in the past. One of them is the issuing of bulk cards and ensuring the appropriate control and validity over those cards. Perhaps we can just move into that area first.

Bulk cards, I understand, are issued to such places as the children's aid societies, nursing homes and so on. What effective controls are you now contemplating on the distribution of cards in bulk and what steps will you be taking to increase the security over the distribution of those cards?

Mr Decter: I will need some assistance there. I know that to deal with the newborn issue we have been doing some block issuance of numbers to hospitals, but I think we're relatively confident on that end of the system.

Mr Burgess: That's correct. We issue a block of numbers to a hospital for newborns and we account for that number in an inventory control fashion.

In terms of bulk issuing of numbers, we don't issue bulk numbers, to the best of my knowledge, to any other institutions. We issue cards to individuals upon receipt of an application from a children's aid society or whatever, but it's on an individual-by-individual basis. We don't send 400 cards out and, "Let us know when you've run out of them."

Mrs Sullivan: Could you check that information for us and come back? Because my understanding is that—in fact I recall that the minister responded in the House to a question of that nature indicating that cards were distributed in bulk to children's aid societies and to nursing homes.

Mr Callahan: We were told that in public accounts too.

Mrs Sullivan: I think that we really do need some clarification of that issue.

Mr Callahan: The auditor is nodding. Excuse me, if I could just confirm that, we were told that at public accounts as well and the auditor has just confirmed—I believe that was the case, was it not, that we were told they were issued in bulk, in our February meeting, I think?

Mr Erik Peters: No. I stand corrected. I nodded to something else.

Mr Callahan: My recollection is that if we look at the Hansards from February, we'll find that they did in fact indicate that.

Mr Burgess: I recall there was a question in the House about a specific address having received 400 cards, but from our records, from looking at the entire database, no individual residence had in fact received

400 cards. There are residences that received a large number of cards, but not on a block basis. Each one of the applications for the person resident in the nursing home—at the time of producing the new red and white card, each individual application was processed as an individual application and was processed on that basis. It might have been mailed back to Mrs Smith, care of the Rosedale Nursing Home, and Mrs Jones, care of the Rosedale Nursing Home, but they were as a result of individual applications.

Mr Decter: To the best of my knowledge, other than the newborn issue—for the obvious reason it was hard to get the unborn to fill out application forms, we moved to a block issue for the hospitals, under a tight control. I'm not aware of any other instances of other than an individual application, but we will certainly look into it, and if we find anything different, we will let you know.

Mrs Sullivan: The other question that the OMA has raised on other occasions is with respect to tracking multiple doctoring, whether it's the senior citizen who's lonely and moves from physician to physician or whether it's someone who in fact has an intent to defraud the system, perhaps through obtaining prescription for drugs for resale or for whatever reason. The OMA agreement provides no mechanism whereby a physician can participate in an analysis or a determination of whether a patient has in fact been seeking multiple doctoring. Is that on the table with physicians? How will doctors themselves be participating in analysing the multiple doctoring problem?

Mr Decter: Well, I think, although we covered a great number of issues in the agreement with the profession, we've left a number of issues of that sort to be discussed at the joint management committee table and to see what progress we can make on the issue. Our own analysis report did indicate that there are, certainly statistically, people who visit significant numbers of physicians, suggesting the multiple doctoring issue is not just anecdotal, that it's real and statistical.

The issue poses some very tough policy questions in terms of dealing with it. The right of choice on the part of a patient of a physician or other provider is very central to the system. The only places we've abridged it somewhat have been in the health service organizations, and even there we haven't really abridged it; we've just gone to a system where the HSO physician or group would give up some financial resource if their patients sought a lot of help elsewhere. We think that it is an issue to be tackled, but we don't have a specific resolution of it at the moment, and there are, as I understand it, medical conditions where people seek medical assistance for imagined problems. That's Münchausen's syndrome. So it is a real issue.

I think on the multiple doctoring in search of prescriptions that the ODB system we're putting in will give us a control on that. So the extent of that subset of people who are going either because they want a lot of drugs just for the sake of having them or they want a lot of drugs for the sake of reselling them will, we think, come to an abrupt end once we have the system on line.

Mr Tilson: I'd like to turn to the registration analysis project report, specifically pages 4 and 5. The report indicates that the analysis unit had developed 41 major recommendations, and then they outlined what they've called eight key ones, many of which you, if not most of you, have already referred to in your previous presentations. The final paragraph on page 4 under item 1.4 says:

"To realize the full benefits of the health number, the philosophy of zero tolerance of health care abuse is required. This involves concepts such as litigation, increasing penalties for fraud and the recovery of money from consumers, not just providers, for fraudulently obtained services. It means that ancillary controls are also required, for example, a tougher policy on good-faith payments and more restrictive registration procedures."

Some of those areas were answered in questions that I asked this morning. Looking at these generally, I don't think you've covered all of these eight items, but I'd like to know the status. I'd like to know specifically the status of activities that have been undertaken to implement these eight recommendations and more specifically what is being done presently, immediately, what's being shelved and who's involved in the decision-making.

1400

Mr Decter: We have an action report. Let me walk you through them, and if elaboration is required, then Peter can assist me in elaborating. In some cases, as with any report in the ministry that comes up to the senior level, it's not the only report we're contending with, and some of them pull in different directions.

Mr Tilson: Before we get into that, that's an issue that perhaps we should clear up. Obviously there was much ado in the media that this is a shelved report, that it was secret, that not necessarily you personally but the minister didn't like it and it was trying to be kept quiet and then one of the reporters gets hold of it and they have all kinds of fun for the next two weeks taking shots at you and everybody else. I'd like you to comment on all that.

Mr Decter: I guess a general comment. Maybe the best way to get a lot of attention from reporters is to stamp "confidential" on it, because it did draw a lot of attention. It went very early. I don't know if the Kingston radio station actually received it before I did, but it did gain considerable external attention early on, before it had been considered at senior levels in the ministry, and then it rebounded some months later.

The status of the report is that it has been taken very

seriously by the ministry since it was put together. I think frankly if you look at a document the ministry made public just after the budget, the document entitled Managing Health Care Resources, you will see reflected in it a number of initiatives that are based pretty directly on what's in this report.

I guess the unusual quality of any report is that generally in the ministry we feed in what advice we get into our decision-making. So, for example, "negotiate with the federal government to recover payments for classes of persons under their jurisdiction" went forward by us as an expenditure control measure. It's something we've been looking at. This report just further underscored that we had some work to do there.

There has been, as far as I'm concerned, no attempt to shelve, hide or anything else of a negative sort with this report. I was happy that we'd commissioned it. I was happy to receive it. We did have, and I think the minister was pretty direct, some issues around whether the rollup of the numbers from the individual studies to the large numbers—I spoke to that yesterday—was completely sound, but the report itself contains numerous qualifications which were not featured prominently. The media didn't say, "The numbers might be as high as," they headlined, "$700 Million of Health Fraud."

Mr Tilson: Mr Decter, I understand what you're saying, but the Chair, Mr Cordiano, I think wrote a letter on behalf of this committee in May and said, "We want a copy of everything," and the next thing we see of this report is that some media person's waving it around. In fact that's where I got my copy. I called her up and said, "Will you mail it to me or send it to me?" and she did. I think by that time finally members of the committee had got it.

I guess I'm talking about communication with the ministry, that hopefully when a committee such as public accounts asks a ministry for all reports, we get all reports. That's the gist of my question.

Mr Decter: I may have to do a mea culpa there. As you'd be aware, from March 30 through some time in June I was asked by the Premier and cabinet to lead the social contract negotiations, and that put some considerable stress on me. In addition, the ministry's focus over that period of time was on the expenditure control side. I do think that we have been forthcoming with the committee in providing information generally, and if we didn't get you this report on as timely a basis as we should have, I regret that. But there has been, and I'd underscore it, no attempt on our part to do anything other than get on with implementing those recommendations that we can see a way to implement. In some cases, we bump up against existing legislation and other constraints. I can tell you, I've a number of reports on my desk where I'd like to devote more resources, but we have a limited resource. You have to make those judgements.

Mr Tilson: Having interrupted my own question, maybe you could continue on with your thoughts on page 4 and 5 as to the questions that I put on those eight points.

Mr Decter: In terms of creating a permanent, dedicated unit, we are under way on that. I will say here that I think we need to bring eligibility and registration together under one roof. We are looking at how to do that in a realignment of function in the ministry, because it's clear that when you look at registration, you begin to surface questions of eligibility, and we do not have consistent eligibility across all ministry programs. So we are looking at how to bring together, if you like, under one roof the registration analysis and also some policy work on eligibility.

Mr Tilson: What sort of staffing for this unit, Mr Decter?

Mr Decter: I'd have to turn to Peter.

Mr Burgess: Bryan Brown, who is the manager, is here today.

Mr Tilson: He's it. That's the staff.

Mr Burgess: Today, that's it.

Mr Tilson: Do you have any anticipation of increasing that staff?

Mr Burgess: Yes, we have three positions being advertised and hopefully competed for in either the balance of this week for interviews—by that I mean tomorrow and Friday or early next week.

Mr Tilson: Thank you.

Mr Decter: In terms of the second, establishing a unique government-wide identifier for all provincial benefits and programs, we are certainly participating in discussions—and I mentioned them earlier—of a future Ontario service card. But I think we feel we need to move forward more rapidly on the health front. But again, cabinet, when we get there, may choose to accelerate other development. But we do account for a third of provincial spending, and I think it's, from our point of view, important that we have that piece of it well in hand.

My list here is slightly in a different order. In terms of amending—

Mr Tilson: Before you leave that, the identifier issue, which of course most of our discussions are dealing with at this committee currently, obviously it's going to take some time before this whole process is completed. It certainly won't be in 1993, 1994 and possibly 1995 or 1996 before the whole evolution takes place.

It's been suggested that in the interim that there be some sort of secondary piece of information, that when you go to a provider, you're obliged not only to have the number, but you must have some other identification. Has the ministry looked at that?

Mr Decter: I don't think we've explored that in great detail. We have gone to original documentation for new registrations, and I made reference to that earlier. So we've done something on the actual obtaining of a card. But we have not looked—we may have looked at; we have not come to any conclusion on requiring additional identification at the point of service.

Mr Tilson: That may not solve all of the alleged frauds, but it certainly, it would seem to me, reduce it, at nil cost. You simply require the provider, if you want to get health services, in addition to having the red-and-white card, or whatever colour it's going to be—probably it will be a different colour this time—but you have further information. I don't know what that information would be—a driver's licence; it could be anything, I suppose.

Mr Decter: We did, in some of these studies, in essence do that, ask people for an additional piece of identification in, I guess, the Kingston and Windsor studies.

Mr Burgess: That's right, and it is an issue that we have been apprised of and we have looked at in addition to others that have been suggested, like signing for receipt of services. There's been a significant amount of discussion around those issues.

Mr Tilson: Thank you. Continue.

1410

Mr Decter: In terms of walking down the list, in terms of amending registration legislation, regulations, policy to promote a stronger enforcement philosophy, I think the creation of the investigative unit and the tightening of eligibility criteria will go a long distance that way as well as some of the changes we've got under way in the registration process, but I think we have probably more to do there.

In terms of negotiations with the federal government, I've mentioned that we have initiated those negotiations and the concern there—I'll be direct about it—is that we don't want to eliminate coverage for people until we're certain the federal government will in fact pick them up, and that's the direction we've had. As soon as we have that assurance, then we will step back from that coverage.

In terms of improving communication strategies to educate health care consumers and providers regarding Ontario health coverage issues, we do have some work under way, and I think I listed some of the posters and directives yesterday. Today—I guess right now—the joint management committee is hearing a presentation on public education efforts that we would hope to go forward on jointly with the profession.

Mr Tilson: Would it be useful for this committee to hear someone from Management Board?

Mr Decter: From Management Board of Cabinet? I think that would be your judgement.

Mr Tilson: No, I'm asking you—to help us better understand the issues.

Mr Decter: I think on the Ontario service card, it certainly would, because they're the ones that have the leadership on that issue. My reference is the joint management committee between the profession and the government and you have the co-chair of that committee here as deputy minister, and I understand you've got the Ontario Medical Association coming in next week, so he'll cover that base. But specifically on the Ontario service card, the Management Board staff would have more to tell you than we do.

On the integration of the registered persons database with other internal and external program areas, I think that you saw yesterday the start of that in terms of the swipe reader. That's very much a one-way communication. Peter may want to elaborate on some of the other things we see doing there. We are talking about wiring this system together in a way where information moves both ways, and if you think back to my comments on the J-8 where we're saying we'll make the payment but you will in return give us accurate information, that starts a flow back. Up till now, candidly, providers haven't had much of a reason to send us information unless, frankly, it pertains to them getting paid. Their appetite for it is limited.

Mr Burgess: I don't think I can add anything.

Mr Decter: In terms of the third-party data exchanges, I went through the list this morning and we are active on that.

On the development of analytical tools and systems, I think we're hoping to get some good advice from Lindquist there.

In terms of our own audit group, I think we need to strengthen our systems capacity. I think this is a general issue with auditing in a computer environment, that you need more people looking at more ways of analysing the data. We are getting data that's in a form that allows us to analyse it better, but if I can put it pretty bluntly, one of the upsides of getting our people out of keypunching physician billings from paper claims is that we then can have some people available to move into looking at more complex issues of verification.

I think it's fair to say we've got activity under way on all of these areas. We're more advanced on some than on others. The report has been a real source of confidence to us that we've poked the flashlight into all the dark nooks and crannies of the system and we've discovered where we think we can make a difference.

Mr Tilson: So the allegations in the media about disillusionment and poor morale among ministry staff are not founded?

Mr Decter: I don't think there's a good basis for it. I will say that these are times when morale—and not just in the ministry but in the public service generally,

there are some real stresses. We're asking people to do more. We don't have salary increases; in fact, we have the opposite for them. I would be, I think, quite naïve if I didn't tell you that we have overall a morale issue to deal with in public service.

I will tell you that I feel quite the opposite about the registration group, who are almost missionary in their zeal to get on with this and do it, so I'm not surprised if there's some frustration. People here are too professional as public servants to give any hint of it, but the group sitting behind me, I'm sure, think we're moving more slowly on these things than we ought to be, just as my group that are involved with cancer control think we're not doing enough there and the groups that are piloting the tobacco legislation don't think we're moving fast enough on that.

I have a ministry filled with very determined people who are looking at the health system out there and the challenges we have and want to see very rapid action, as I do. I think you'll also see, if you have followed the recent history of our relationship with a number of the provider groups, that they feel in some senses we're going too fast and that we're putting more stress on them than they're capable of absorbing.

So I think there's no basis for feeling that the ministry has done anything other with this report than what we would do with any important piece of work, which is to study it to decide where we can move and to move forward on it.

Mr Tilson: I guess the issue is that we have a report that's dated March and it surfaces in August. It's a long time to be studying a report confidentially. In fact, it wasn't confidential. It was issued in March and it took until August to be made public, and it was made public, presumably, by some brown envelope.

Mr Decter: With respect, I've just signed off on a report from 1991 that's been sitting waiting to go out. I don't want to tell you how many reports we do in the ministry and what the time lines on them are, but candidly six months from the time we receive a report to be able to report out publicly significant progress and implementing recommendations is fast for the Ministry of Health.

We have significant reports where it takes literally years to get action. We've had areas where we had advice from the Scott task force on various issues of testing that we have not been able to find a way to implement, so this one has moved, in my view, at a pretty determined speed. Probably not fast enough for some, but we aren't just dealing with one issue in our ministry; we've had a whole—

Mr Tilson: I understand. Are there other reports that would help the committee or the Provincial Auditor in our dealing with this issue that you have available now?

Mr Decter: I'm not aware of any that we haven't shared. We shared the update; we shared the smart card evaluation. I think the auditor's staff has had pretty open access to our place in terms of work. We have not received anything of a report from Lindquist. They are still in their first phase.

Mr Tilson: When will they be reporting to the minister?

Mr Decter: I would have to turn to Karim, who has been dealing with them, to get a sense of the timing.

Mr Karim Amin: Lindquist has just joined the ministry's project. I don't think I can answer the question as to when the report could be available to us. There are, of course, significant aspects that they'll be reporting upon. Next week we're due to have a preliminary meeting with them. I'd like to tell you that we could give you a progress report on the activities that Lindquist will be undertaking with us.

Mr Tilson: You can do that when? When will you be able to provide us with that?

Mr Amin: Like I said, we'll be meeting next week.

Mr Tilson: So some time in the next two weeks?

Mr Amin: We could give you an idea, yes.

1420

Mr Frankford: I'm going to return to the possibility of more significant structural change and non-card solutions. I'll pass on, if the committee would like, the article I referred to this morning from Ontario Medicine relating to Dr Rosser and Dr Forster.

When I spoke this morning, I hadn't seen the Globe and Mail today, which I don't know how many people have seen. It has a letter "Solving Improper OHIP Billings" from Dr Haresh Kirpalani and Dr Gordon Guyatt, who are both well-respected clinicians and researchers. I believe they are both based at McMaster. They, I think, are adding to the growing number of physicians who are saying that there is a structural alternative. I'll read some of this letter. It was started by a letter from Professor Ernie Lightman, which members might also wish to read, published on October 26. Kirpalani and Guyatt say:

"The real culprit is our fee-for-service billing system in which doctors are reimbursed for every patient they see, every test they interpret and every procedure they carry out. The system rewards doctors for delivering unnecessary care and penalizes them for taking time with patients. Conscientious physicians who take time to provide careful explanations earn less than those who practise revolving-door medicine.

"The solution to the problem is to reform the mechanism of physicians' reimbursement. Primary-care physicians should receive a set amount for each patient under their care no matter how many times they see the patient. The possible abuses of such a capitation-based system"—I think this sentence is very important for everyone to note—"are minimal and the system rewards

physicians for practising efficiently and for keeping their patients healthy. A capitation-based system could also include community health centres staffed by salaried physicians.

"Once again, the salaried physician has no incentive to provide unnecessary services.

"Capitation-based systems have worked in other countries, and they can work in Ontario."

Mr Decter: There are a number of articulate advocates within the profession and within the academic community, and Gord Guyatt is one, for movement away from fee-for-service. The ministry has taken some steps in that direction with the health service organizations and with negotiations around alternative payment plans. So you won't get a disagreement from this deputy minister about the merits of other than fee-for-service-based methods.

You will get a very practical observation that the Ontario Medical Association, which represents all of the physicians of the province, those practising in fee-for-service and those practising in other payment modalities, is very interested in being part of that movement. We have negotiations ongoing with a couple of the academic health science centres, McMaster and Queen's, about moving their entire population of physicians out of fee-for-service into an envelope or globe. We have some plans in effect.

It has not, frankly, moved as rapidly as I think might have been contemplated in my predecessor's time. We've run into a couple of significant issues. One is getting the other model right. We did run into some real obstacles with the health service organizations where we hadn't protected the funding that was to go to the HSOs in terms of having it flow to patient services. In some cases, it was pretty clearly getting capitalized into much higher incomes. Physicians were taking the additional money and, rather than using it to add to their team, they were, if you like, adding it to their income, and their patients were seeking care elsewhere.

We've had two rounds of negotiations in the last two years and I think we've dramatically improved the HSO model. We're now contemplating whether we could reopen it, because it's been closed to new entrants. We are, in terms of negotiations with a number of the community-sponsored HSOs, looking at a conversion towards a community health centre or comprehensive health organization model. I guess Sault Ste Marie, given the group health centre's long and significant history there, probably is the one that is furthest along.

In the spectrum of, "How do you deliver health care versus how do you pay physicians?—because those get lumped together but they're not the same issue—I wouldn't call it a setback, but the community health centres are not at all sure that they want to be physician-based. That is, we're getting some advocacy from community health centres saying: "We don't really want a physician in our CHC. We want to have a different care model." They're moving more along the active kind of public and community health stance. So one can move in these directions, but they do require a lot of negotiation.

I would agree with your central point that moving to another modality than fee for service for primary care would allow us to have a more multidisciplinary approach and would allow this issue to have less of a significance, because you'd be looking after a range of needs.

Mr Frankford: I feel that we're primarily here around the issue of fraud. I repeat the point which is made here that these are structurally fraudproof, virtually. Now, this is another reason, a good reason, for putting a lot of emphasis into looking at these methods. I think there's a real decision to be made in the ministry or politically around the great effort that is being devoted to card systems and technical solutions to fraud when it seems to me quite possible that sooner or later we would address these other alternatives where all those things become redundant and where I would even suggest the cards become redundant.

The other thing I would like to mention which we're led to believe around the question of fraud, although that's still not really been proved satisfactorily to me, is that this is a function of lack of insurance in the United States. I'm a guarded optimist, but I would believe that problem is going to be solved in this presidency or certainly before the end of the century.

So some of these efforts, if we're talking about card renewals for ever and ever, again may become totally redundant, or not totally but to a significant part redundant; we would just be dealing with people from outside of North America.

Mr Decter: I would be delighted if the Americans got their act together and covered their 35 million people who are uninsured at the moment and the other tens of millions who have inadequate coverage. Clearly, if someone in Detroit is now adequately covered in the US, that's going to dramatically decrease their likelihood of borrowing someone's health card and making a trip across the border to Windsor. But I think we also have to live in the reality that reform of the American health care system, which seems to be getting under way, is going to take some time.

I don't think there's anything that would prevent a future government from receiving the advice that we'd outlived the health card and that some other solution had been found. My own sense is, in terms of changing primary care, that it won't move in a kind of Big Bang way; it will require some movement. There are members of the profession, and you would know them as well as I would, who are quite adamant about their attachment to the existing fee-for-service system. I think that is

changing. We have committed ourselves to a reform of primary care, to looking at alternative, flexible funding and compensation methods. I think you will see more rapid change than you have in the past, but we're not going to move away from fee for service in the next short period.

1430

I think the fraud concerns are real. Just because we're before this committee at this point on the fraud issue, though, is not a suggestion that that's the major task the ministry has before it. It's one we're taking very seriously, but we are significantly engaged in a reform of how we deliver health care. We are engaged in a significant shift of resources into the community and into long-term care and, where we can find opportunities, tobacco being a good one, into the preventative end rather than into the treatment end. So the main event for us is managing health care resources, as we set out in the spring. Part of it is the fraud issue, and we're taking it very seriously, but, you know, there are other places I get to appear other than public accounts on the broader health policy issues. They're not being abandoned or sidetracked in any sense in favour of a sole focus on fraud, but we've had, you know, a continuing series of efforts to make sure that people getting service are eligible, and continuing efforts to make sure that those are appropriate and necessary services. We are engaged in a very big debate at a national level over what "medically necessary" means.

Mr Frankford: Again, I think it probably can be addressed by a change of system, and when you get away from fee for service, then that will dissipate.

Mr O'Connor: I guess one thing that this committee is concerned about, the primary concern, stems back to the Provincial Auditor pointing to possible fraudulent use of the health care system through the health care card. I know that my colleagues of the opposition, of course, are very diligent in bringing matters of potential fraud to the Legislature. In fact, I'm looking at a clipping here, and I recall the day when my colleague Mr Wilson stood in the House and, in a question to the minister, asked about a 65-year-old woman who had been deceased for a couple of years receiving a health care card. Of course, I imagine for the family itself it was probably a moment that was very disheartening because, you know, the woman had been gone for a couple of years.

I just wondered, in going through this process—and I know there's a lot of work that's been happening, stemming right back to your brainstorming session that I read about a year ago, August 1992, that the ministry held. A lot of work has gone into it. I recall back in February when you were before us that you did present us with a table of contents for the project report, though we didn't get the report at that time.

I guess what I'd like to have—it may be some assurance for some of the committee members—is, working with the registrar general's office regarding people who do pass away, what is the lag time that would be acceptable for registration of someone's death certificate through the registrar general's office? What would be a reasonable length of time for OHIP then to know that we shouldn't be sending out a card? Maybe there is a time frame that's acceptable, that an incident like Mr Wilson had raised is acceptable but three years obviously isn't. I realize that you did point out to us in the committee that you never even had that capability a year ago.

Mr Decter: We did indicate that it was about a year ago, August 1992, that we started getting the regular exchanges. I think Peter indicated yesterday that we're still having trouble getting that information to match up easily with our own database because ours is driven by birthdate and the registrar general's is driven by date of death. But maybe Peter could expand a little bit on what our objective or what our goal is on this front, where we'd like to get it to.

Mr Burgess: Let me give you a couple of things. First, as the deputy has mentioned, we are now automatically, every month, receiving an update on deaths from the registrar general. The registrar general can be up to six months in obtaining information that it then shares with us about the death of an individual. So there may well be a time lag in the process before we get that notification.

As a result, what we have done is, through the ongoing negotiations with the OMA, instituted a new fee schedule code which the physician, in terms of pronouncing death, uses. I believe it's an A777 billing code. That then will go directly against our database. That in turn will, of course, have the health number of the individual, because that's how the physician gets paid, and that will automatically update the database.

It's a bit of belt-and-braces approach, but I think if you look at our report, we actually take great pains, I believe, to say there is no one way of getting 100% of all these events captured. In all cases, we've suggested one, two or even three exchanges of information to make sure we've got it all.

In the particular case you're referring to, which was raised in the Legislature by Mr Wilson, we had in fact, about two weeks prior to the issue being raised, marked the individual as deceased on our database. We had received it from the registrar general and it had not matched on the first processing of receipt of notification of death against our database and this was because of a name-spelling problem. On our particular database, we'd had a Scottish name, in fact, spelled with an Mac versus an Mc and our computer system was unfortunately not smart enough to, at that time, try the phonetic spelling of McTavish as well as the actual spelling of MacTavish. I know I'm using the incorrect name, but I'm

using the right example; it was a Mc and a Mac.

Mr Callahan: It certainly went amok.

Mr Burgess: Yes. That particular transaction got rejected, as I said yesterday, as one of those which went to our verification unit for manual review and I think I mentioned yesterday that there is a backlog of these sorts of activities. It was one that was in the backlog. It was processed out of the backlog. I particularly researched that one particular matching capability, and the clerk had to go through 35 different gyrations of the name before the clerk got the right match and was able to correct the database.

Mr O'Connor: I appreciate the answer. Our time's limited, so if you don't mind, I'll cut you off there.

The question I've got that then comes to mind: Is there a lot of—because it's not fraud until somebody uses that dead person's card, the deceased person. Have there been a lot of cases, up to this point—and I know you've just hired the investigators to look into it—but reasonably are there a lot of dead people's cards out there being charged to the OHIP system now? Kind of abrupt, but our time's limited.

Mr Burgess: I believe I'm right in saying that the only further studies we've done on the issue other than the relatively panic study we did as a result of Mr Wilson's question—I believe the only study we have done at all on dead people is relating to people notified to us as dead, yet still appearing on the MCSS interface.

It's a study that was just under way a couple of months ago. We have no valid data to share out of that. In fact, the study has been suspended due to lack of staffing and due to other activities. So I don't believe we have any data with which to answer your question accurately. I'm sorry, Mr O'Connor.

Mr Decter: Two quick points: One, the issuance of cards at age 65 was driven by the requirement of the Ontario drug benefit program. With the new network, we won't have to do that because eligibility will be able to be decided on the network. That issuance will go so, given that most of the deaths in the province take place, fortunately, at older ages, that should eliminate a good deal of that possibility.

1440

The auditor did look at the drug benefit program and did highlight, I think about 18 months ago, out of about $1 billion of spending at that time, that $100,000 of claims had been paid on behalf of people who were deceased. When we looked into that, we found that most of those, about 90% of those, were cases where the surviving spouse had used the wrong number. So it was, if you like, an innocent error, where the surviving spouse had used the deceased spouse's health number in getting a prescription.

In the other cases, we did go after pharmacies for recoveries and did get some recoveries. I think that's our only major experience with looking at that. It's certainly an area we need to look further at.

Mr O'Connor: I'm sure any frauds that are uncovered will be quickly sent to your investigative unit and looked at, so I appreciate you taking the time to explain that to us today.

Mr Decter: We do have an update on the locked numbers question.

Mr Callahan: Having scored on convincing you guys to have one name on the application form—I consider that a coup—I want to try the other one. I had suggested to you at the last public accounts meeting in February that rather than going to this space-age stuff you were passing around here, the slash card and all this other—I feel like I'm working with Visa—

Mrs Sullivan: Smart.

Mr Callahan: The smart card—I had suggested something as simple as requiring an individual coming in with the card to sign their name, and that name would also be signed on the back of the card at the time they applied for it, and you'd just pass it under one of these ultraviolet bulbs like they do at the local trust company. If they match, then the doctor provides the service and the doctor gets paid. If it turns out that somebody's smart enough to fraudulently forge the signature while writing it out for the doctor or signing something for the doctor, then too bad; the doctor has done as much as he can possibly do.

Mr Frankford: What if they're unconscious?

Mr Callahan: What?

Mr O'Connor: What if they're unconscious, knocked out?

Mrs Sullivan: Unconscious, in an emergency situation.

Mr Frankford: They might be having a diabetic coma.

Mr Callahan: We're dealing at the moment with conscious people, I think, anyway. In any event, what's wrong with that? I find this thing about taking 100 hospitals and giving them this smart card and paying for it—

Mr O'Connor: Swipe card.

Mr Callahan: Swipe card, sorry—is not solving the problem that you're here before us for, this fraud. The most pressing issue—it seems to me that everybody's running around, and I say this with the greatest of respect, trying to figure out some way to devise a card that is foolproof.

I suggested to you at the last public accounts meeting a very simple way that could be done, even if just on a transitional basis, to ensure two things: first of all, that doctors get paid for the services they provide and that they're not the patsies when the card happens to be improper, because we should be the patsies. It's the

government that's got the problem. The second thing is to provide something as a hiatus between now and coming up with the proper program.

I understand in here that after you introduced these smart cards and all the rest of it, you're going to have a panel that's going to then review whether it was a good idea. I'm sorry; that to me seems to be a totally unacceptable process in that it's kind of like, "We'll invest some money now on the chance that we might be able to stop the flood."

The other thing was, it seems to me that on the magnetic strip that's presently on the back of these cards, I think it shows your sex; I think the date of birth is on there. What's wrong with someone being required to, if you don't want to go with the signature bit—and I've had doctors who have said they don't want to have to have somebody sign—what's wrong with the maiden name of the person or the pre-marriage name being on the magnetic strip and when the person comes in, they have to tell you what that is? Again, you just put it underneath one of these ultraviolet bulbs.

I believe in simple and quick remedies, and then you can get into the more exotic ones after you've had a little more time to think about it. I think what you're doing is rushing headlong on to a solution for this because it's become politically embarrassing that a report was in the mill that the amounts that were alleged being lost were understated. The press got a hold of it and the government is embarrassed. I for one don't believe that's the way we should operate. I think we should operate in the calm of trying to solve the problem.

I guess I've asked a lot of rhetorical questions. Have you considered the simplistic—and I'm leaving myself wide open, having said it that way—suggestion that was made at the public accounts meeting in February 1993?

Mr Decter: Let me make a couple of comments on that. I think we are giving this careful attention. I don't think we've rushed headlong into anything here, despite lots of advocacy to have an instant answer on a lot of these questions. I'd reiterate our intention is not to make all the decisions and then seek the advice of an expert panel. The thought of an expert panel is a group we would consult external to government before going forward to cabinet, much in the same way that this committee, I understand, intends to seek advice from other than the ministry on card and technology issues.

The issue—and I think it goes to the signature idea, a number of other ideas—for the profession is that it wants us to verify in real time the eligibility of a card number—

Mr Callahan: So they can get paid.

Mr Decter: So they can get paid.

Mr Callahan: They're concerned that they won't get paid, that's why.

Mr Decter: Yes, but their concern is they want something that interacts with us, not simply the individual proving that they're John Smith, because they could well prove by signature that they are John Smith and have a card and still be ineligible. So the physicians, I think when you look at it, and the hospitals are not interested in more complexity, but they are interested in being able to find out at the point of service whether they're dealing with an eligible or an ineligible person. I guess that's a combination of features on the card and the link.

But the swipe technology is not a lot more complex than an ultraviolet light. It reads what's on the back of the card and puts it up on a visual display. It also, in the model you saw yesterday, ties into our database and allows that hospital to verify whether the person is eligible. I guess the flaw in the signature piece is it proves that it's John Smith, but it doesn't give you any hint as to whether John Smith is an eligible person or not. Peter may want to comment further on that.

We have, sort of, two linked issues. One is the person presenting who they say they are, and a signature would probably work not quite as well as a photo. But all of the features on the card are part of that establishment of the identity of the person. It's the link to eligibility, and the link to eligibility, in the view of, I think, the providers and ourselves, needs to be a link to that database.

Mr Callahan: What I'm concerned about is the cost. The link to eligibility is the real trick: You've got to make certain that the cards that are issued are issued properly. If they had been issued on the basis of someone having one piece of identification, be it a birth certificate, a naturalization certificate or whatever, you could then get to the point where you have the cards properly issued. If you put an expiration date on them so they had to be updated very five years or every two years, or every three years as the drivers' licences are, then in fact the signature would be adequate.

1450

I think the signature's better than the picture because the picture is going to change, and you can certainly doctor them. As I think if anybody here from MTO could attest to, there are people driving around this province with licences that belong to someone else that have got their photo on them. The cops stop them and there's no way that they can check it out, and these people actually are getting away with it. I think you're going to get the same thing with a health care card when you put a picture on it.

Mr Decter: We certainly are committed to tightening the registration end in a variety of ways, but I think we still want an ability to remove someone's eligibility during the period of the card's life and we can only do that if we've got a link between our database and the providers. Your status may change—someone may move out of the country, someone may lose eligibility

one way or another—and we want an ability to cut off that eligibility, independent, frankly, of retrieving the card; we'd also like to retrieve the card.

I guess what I'm saying is that I think we would agree that we need to tighten the registration end, the issuance end, but we also need to tighten the link between payment and eligibility.

Mr Callahan: Can you give us the details of a contract set up by the previous Liberal government in order to rebuild, modernize the old OHIP system into the new health card system and to establish the registered persons database that you referred to yesterday? How much money was originally set aside for these projects and how much of it was actually utilized and on which projects? You can do this in written reply, if you'd like. Can you provide us with detailed information about what happened to these projects within the ministry since they were completed? You can get these off Hansard and you can do it in writing; the best way probably.

Was this project or any that were part of it involved in the cancellation of government contracts mandated by the NDP government in 1991? If so, what other measure was the ministry involved in to ensure that the new system was properly outfitted to detect and prevent fraud? Had it not been for this moratorium on outside contracts, would additional projects have been completed for the health card system or any aspect of enforcement for it? Why didn't the ministry release the registration analysis project in March, when it was completed? I got the impression you said it was leaked, deliberately leaked; that was to put some emphasis on how important it was.

Last February—Mr Tilson asked you this—when you appeared before this committee, you indicated you believed the problem of fraud to be approximately $20 million per year. Have you changed your predictions on that number and what do you believe the figure to be now?

Mr Decter: You've asked a series of questions, a number of which are historical, and we will provide written answers. The tail-end ones are not historical and I will provide you with a very direct answer. I think I already have both clarified what was said in February, which was that, to the best of our information at that time, we thought we were dealing with a 1% to 5% problem, and I won't re-read into the record here the answer that I gave this morning on that.

Mr Perruzza: Bob wasn't here this morning, were you, Bob?

Mr Decter: I have tabled with you the update to the registration analysis project, which does provide a range of figures, which I gave yesterday afternoon, provided in written form. I think that represents our most up-to-date thinking on the magnitude of this problem, which is still in the same percentage ballpark.

We will give you written answers on those historical questions.

The Vice-Chair: There's approximately one minute left if you have a very quick question, Mrs Sullivan.

Mrs Sullivan: No. The questions I want to pursue relate to the integrity of the registration with respect to addresses and actions that are being taken in that area, where we are told there's a 26% margin of error. If we can prepare for the next round, I'd appreciate that.

Mr Burgess: Could I perhaps address the question you asked in the last round about multiple registrations? I've checked with staff in Kingston, and I was right: There are not and have not ever been any block registrations since registration of the new unique number started, with the one exception we said about newborns. I am told—this is hearsay to me—that there were some discussions through the planning phase of perhaps thinking about continuing the block numbering that was used under the old OHIP system for things like provincial correctional institutions. But I reiterate that there is no block issuance of numbers; every registration, at initial registration, was an individual registration.

Mrs Sullivan: Thank you. I appreciate that information.

Mr Jim Wilson: I just want to say for the record that the reason I raised the issue of the dead person being issued a new health card upon turning age 65, when the person had been dead for several months, was that I got the very distinct impression, Mr Decter, when you appeared before this committee last February, that this was not to happen again, and I'm somewhat getting the same feeling, that all is fairly well and we need not worry about these things. I admit I can't quote you verbatim, but I can only tell you the feeling I had at that time was that the relationship between the Ministry of Health and the registrar general with respect to getting these people off the active database in the health card system was pretty much resolved, so I left it for three or four months until a case was brought to my attention.

I want to ask you today, given that I'm having a bit of déjà vu all over again, the warm and cosy committee here where it seems everything's being solved, is it possible today that someone could have a dead person's card, receive health care services in this province and your ministry wouldn't know anything about it for some time after the services had already been rendered?

Mr Decter: You're asking two questions. The first is, did we give you an assurance that we had this problem fixed when we were here in February? I apologize if I instil more confidence than I ought to. I think what I said then and what I've said again today is that we're working on these issues. We did start getting monthly exchange from the registrar general a year ago, that is, in August, but as Peter Burgess indicated

yesterday, we only get a 70% match on the system and then an additional manual match, so then we have a number of notifications which are not matched.

I guess the answer I would have to give is that yes, it's conceivable that because we're not getting all the deceased people off the database instantly—we're now getting, from the look of it, and maybe Peter can confirm it, 70% of them off relatively rapidly and we're working on the additional amount—that yes, there would still be people who are deceased who would show up as eligible on a database.

Mr Burgess: I don't have the exact percentage with me, but it's closer to 80% than 70%. In averages, about 10,000 individuals die per month and about 8,000 get automatically removed from the database; unfortunately, that leaves 2,000 to be added to the backlog.

Mr Jim Wilson: But my point there, Mr Burgess, is that you can remove them from your database, you can put them down as ineligible, you can do whatever you have to do to the database, but they still have the card, which is a currency that can be used to obtain health care services. As you know, my theme has been, all the way along, that we don't have enough upfront verification measures.

I gather that since you were last here the interactive phone system you're now showing this committee is the phone line that you promised to set up last February, that was going to be up and running in March, so that physicians, if they were suspicious that somebody was using an invalid card, could phone that line. How available is this phone line now, that was supposed to be set up in March?

1500

Mr Decter: Let me distinguish between two types of phone lines—

Mr Jim Wilson: I'm not interested in the 1-800 squeal line. That thing is very interesting in itself, but it was not the subject of the debate back in February.

Mr Decter: If Bob's still here, he can give you the extent to which we've got that interactive system up, but I will reiterate that there is no obstacle. Physicians call all of our claims offices on a regular basis, and there's never been any barrier to them letting us know about something that—

Mr Jim Wilson: That wasn't the point. The point was verifying whether it was a valid card. Anyone can phone any MPP and do that, sir.

Mr Decter: Yes. But Bob can tell you the extent of the interactive system and its implementation.

Mr Robert Cavanagh: I hope I made it clear yesterday that what you saw was a pilot, so the numbers are relatively small. I think there's somewhere around 20 to 30 users of the interactive voice response system at the moment, and we will probably expand that further for the pilot before we actually roll out the production system, but we've got a number of weeks yet to run on the pilot before we evaluate it and can determine the usage of the lines, and there are a number of factors that we have to get resolved.

Mr Jim Wilson: If I were a physician today and I was suspicious of a health card, what do I do?

Mr Cavanagh: You call the district or regional office that you normally deal with, and it would check the number for you, in a manual sense, today.

Mr Jim Wilson: So that's readily available and physicians are aware of that process.

Mr Cavanagh: Yes. One other thing I might add is that in terms of those who are on the pilot now using the IVR system, the actual usage for the typical, say, primary care practitioner is very low. We checked with some of them to find out: "Do you like the system? Is it working for you, or have you given up on it?" The answer we were getting back consistently was: "Yes, it does exactly what I want, and I'm happy with it. I only have a few cards I need to check."

Mr Jim Wilson: One assumes that's the case everywhere, and I'm sure they are happy. They have to eat the billing if they don't get it right the first time.

In terms of the case in Kingston where you've laid a charge with respect to a person who was caught by the hospital in Kingston using a card that wasn't her own, how did the hospital discover it wasn't her card?

Mr Decter: I want to be careful here, because I think there are problems now that this is a case that's in process; I don't think I enjoy the same immunity that others in the room do. My understanding of the case is that the allegation—I think at this point the police have laid charges—is based on a difference between the signature on the consent form and the card presented.

Mr Jim Wilson: In fact, the allegation is that she signed an entirely different name; she forgot what name was on the card. I just wanted to put that on the record, because I think you left the impression earlier—again I might be wrong—that the system was working and the system caught this fraud. It was simply that she screwed up and signed the wrong name.

Mr Decter: I think what I was trying to say was that I don't think in the past the hospital would necessarily have done anything about it; the hospital might well just have written it off as a bad debt, or conceivably we would have been billed for it on the physician side and paid it. What I was trying to saying was that I thought there was a heightened awareness out there, so the hospital, when it detected this, in fact called our 1-800 line and sought some advice, and our advice was to go to the police.

What I was trying to do was underscore how unusual that is, that a major hospital in a border community that obviously is dealing with tens of thousands of cases a year wouldn't have the in-house knowledge of what to

do about a case of fraud. I think I was trying not to say we've got it fixed, but this is so new.

Mr Jim Wilson: I doubt there are many hospitals writing off these things to bad debts, with the cuts these days. Mr Tilson has a question.

Mr Tilson: The acting Minister of Health, David Cooke, in the middle of August gave a press conference over this report that surfaced, and he suggested at that time that providers of health services could be prosecuted for their involvement. Could you give specifics as to what the government is proposing in that regard?

Mr Decter: Yes, I can. What we're proposing, and I've spoken a couple of times to Bill 50 on expanding the Medical Review Committee, what we're looking at and what we've determined we have the legal ability to do is that in cases at the moment, the general manger of OHIP would have the responsibility under the act for referring cases to the Medical Review Committee. So our group in Kingston reviews physician billings, it finds things that are out of line dramatically, it gets referred to the Medical Review Committee and investigated and subsequently the Medical Review Committee would recommend either recoveries or prosecution.

Mr Tilson: Isn't that done now?

Mr Decter: That's what is done now. What we will be doing in addition to that, and we want to speed that side of it up, is where, in the view of our investigation unit, there is sufficient evidence on the provider side that it's not a case for the Medical Review Committee, it's a case with sufficient evidence of fraud, the general manager of OHIP will be referring those cases to the relevant police authorities for charges to be pursued.

Up till now, we've had one route. The other route has always been there.

Mr Tilson: Just never used it.

Mr Decter: It just hasn't been used, and I think what acting Minister Cooke was signalling was that—

Mr Tilson: So that's what he meant?

Mr Decter: Yes, that we are going to do that.

Mr Tilson: I'd like to return to the Lindquist forensic accounting firm—

The Chair: One final quick question, Mr Tilson.

Mr Tilson: That was a quick three minutes.

Can you specifically tell me what their task is and how it differs from the task of the authors of the registration analysis project?

Mr Decter: I'll give you a general answer and then Karim Amin could give you a more specific answer. Their basic task is to help us understand where our vulnerabilities are and to help us develop the linkages between the investigation unit and our various inspection services. In the sense of understanding our vulnerabilities, it builds on the work of the registration program branch, and I want to be, I guess, careful here. Lindquist has some really unusually specialized expertise in the forensic area that we don't possess in-house in the ministry. Essentially, having gotten a very good piece of work as to where we are generally vulnerable, we are going to the best in the business to give us a more specific set of advice on how to build into our system some of what they call red flags. But Karim has been, on our behalf, dealing directly with them and he'll give you a little more detail.

We're not redoing any work; we're looking. This is part of how to implement essentially the recommendations we've received.

Mr Tilson: I would like more details because certainly the way it's been described to date, it is a carbon copy of the project completion report of March.

Mr Amin: I think one of the fundamental principles we're operating under is that if the ministry can do the job, Lindquist will not do that job. Lindquist, as the deputy said, is going to do for us what it called a red flagging system. They have done that for major corporations, major insurance industries, the federal government etc and we are not—

Mr Tilson: Why can't the government do that?

Mr Amin: Sir, I tell you, if we could have done it, we would have done it. The issue of forensic accounting and the issue of identifying the high-risk areas for fraud etc is one that is quite specialized. We have to confess that we do not think we can do that ourselves and it's for that reason that we've gone outside the government for that kind of assistance. As you very well know, forensic accounting and forensic procedures are extremely difficult to develop and to have in-house.

1510

Mr Decter: Just let me make it very clear, because it's a fundamental principle for us: We're not asking them to do anything we can do ourselves. We're asking them to give us some advice, which may include how we upgrade training and skill levels for our staff.

The test I guess is made more difficult on two fronts: One, because we're now going to pursue investigations and prosecutions, we have the higher test that the courts require in terms of the evidence. In our current activities, if we determine that someone isn't there any more and we cut off their eligibility, there's an appeal process. But we're not going before a court to make our case. We're simply removing the eligibility and if we've got it wrong, the person appeals under the Health Insurance Act. Once we head into the courts on these cases, we've got to be sure that we have the documentation in a form that can sustain a court test.

The second is that a great deal of this goes into the technology area and goes into how to get the best return on our technology investment. As a former partner in I guess what's now the largest consulting and accounting firm in the country, I can tell you that even within our

partnership, which was like 400 when I left, with some 3,000 staff, you could put all of our forensic people in a small room. There are only a handful of people in this country who have real expertise on this, and we've gone to them to get the best advice we can. We're not planning on having them take over ministry functions. It's to give us some advice on how best to do this and how to link our audit and investigation functions properly together.

Mr Tilson: One final question: You spent some time on the issue of eligibility and how it will be determined in the new system. How does the ministry propose to verify eligibility periodically? In other words, an Ontario resident moves to New York state or some other country or area and doesn't notify anyone of the change of address and keeps the card. How will the ministry track cardholders to weed out those who are no longer eligible for OHIP coverage?

Mr Decter: I would turn again to our people who are already doing that. I think we've indicated that the address area is our area of major concern in terms of the database, but we do have some flags that go up on movement of people at the moment.

Mr Tilson: Tell me about these flags. This thing has been popping up all afternoon. What is that?

The Chair: It was noted, if I may just interrupt for a moment, that the deputy had to leave. Can I get a further five minutes from the deputy? There are additional questions and we'll do that, and it will be fair for everyone if we have that additional five minutes.

Mr Tilson: And come back and talk about flags?

Mr Decter: Let me be careful here. I've used that phrase "red flags" and Karim has. That's a phrase that Lindquist used in terms of its approach to this: Whether it's the ODB system or the OHIP system, how do you get red flags, indicators that pop up and let you know that there's something you should be looking at. Let me turn to Peter on the question of how at the moment we would know if someone had moved out of the country and neither surrendered the card nor let us know.

Mr Burgess: We, on an infrequent and irregular basis, have the ability, or used to have the ability and hopefully will have the ability again, to scan our claims files by individual. If the individual has submitted nothing but out-of-country claims for a nine-month period and no in-province claims, it would be reasonable to imagine that the person might well have moved out of the province. At that point in time, we would start to do some investigation. We might phone the US immigration service to see if the individual has a green card. If so, they are not eligible to receive Ontario health coverage, that sort of thing.

Mr Tilson: They'll come back over the bridge.

The Chair: I'm going to move to the government members.

Interjections.

The Chair: Order, please. I've allocated an additional seven minutes to your party. I'm going to try to be fair and allocate an equal amount of time for each of the other parties. There are a number of interested members who want to ask questions, and this is the only fair way we can move forward. I know the deputy has to leave. I'm going to ask for his indulgence to have an additional 10 minutes, if I may—five minutes to the government party and five to the opposition party. Is that acceptable with you?

Mr Decter: I'll just have to drive faster on the way to the airport.

The Chair: Okay, five additional minutes if there are any questions on this side. Mr Perruzza has a question and then Mr Wiseman.

Mr Jim Wiseman (Durham West): No, I was next. You're doing a lousy job.

The Chair: Thank you very much. Would you like to take over?

Mr Perruzza: Who in the province of Ontario is entitled to a health care card?

Mr Decter: Someone who is "ordinarily resident in Ontario" is, I believe, the terminology in the current act. We have made a definition of "ordinarily resident" that conforms with the income tax definition, that is, to be resident in the province for six months of the year.

Mr Burgess: And must legally be entitled to be here.

Mr Decter: I'm sorry, "legally entitled to be here and ordinarily resident." So someone who is illegally here, someone, for example, with a deportation order outstanding is not eligible. But if you're legally entitled to be here and you're ordinarily resident here, then you are eligible for coverage.

Mr Perruzza: I just want to get at this whole thing of fraud, because I keep hearing it over and over again and quite frankly I'm quite sick of it. I think the whole term "fraud" has taken on sort of a much nastier and much more sinister meaning to it.

I was late in getting my health care card; I was about a year late in applying and getting my health care card not for any other reason than the fact that it's just something I always neglected to do. I always felt I never needed it and didn't apply for it. So at the end of the deadline, when the OHIP card expired, I was without a health care card. If perchance I had fallen unconscious one day and someone in my family had taken me to the hospital and had used his or her card—I'm eligible and I meet the requirement—would that show up on your system as a fraudulent use or a fraudulent way for me to receive health care?

Mr Decter: In terms of our system, if you're an eligible person, if you have eligibility, then you're

entitled to receive the services and there's no ability to refuse you urgent care. In that case you'd receive the care, and presumably, after you'd received the care, you would, in the normal course, be issued with a health number and all of the providers would be paid in that circumstance.

You're asking me the more difficult question of whether it would be fraud for you to use someone else's card. I believe yes, using someone else's card would be fraud. It wouldn't be a fraud of any particular benefit since you'd have eligibility, but it would be fraud. It would be the same as using someone else's driver's licence if you had one of your own. You would be—where's Gilbert when I need him?—impersonating somebody else by using his or her driver's licence or passport or whatever other document. That's separate from the eligibility issue.

Mr Perruzza: So while that technically shows up on your system as a fraudulent way to get health care, at the end of the day it wouldn't be a fraud because I would have been entitled to receive the health care anyway. When we use the word "fraud," and I know the minister-in-waiting Wilson uses it quite frequently, it's a fairly broad term and—

Mr Jim Wilson: Fraud is fraud. There is no good fraud.

Mr Perruzza: I know what you would have done. If I had been unconscious, you would have let me die.

The Chair: Order. Mr Perruzza, I'm sure you have a valid question, but time is running on. Mr Wiseman, I have one rule as Chairman on this committee: I do not recognize members if they're going to behave in an uncivil and discourteous fashion.

Mr Wiseman: I was supposed to be on the list from the last round, and your not being in the chair—

The Chair: If you have difficulty with that, then you have difficulty with the way I run meetings.

Mr Wiseman: My question to Mr Decter is—

The Chair: Order. I haven't recognized you.

Mr Wiseman: How would you be able to—

The Chair: We will adjourn for five minutes because I do not recognize Mr Wiseman.

Mr Tilson: A point of order on your adjournment: Mr Decter, out of courtesy, has indicated he has to leave. I think we better let him go.

The Chair: I'm not going to move forward in that regard, in that way, on this committee, and that's the rule. If you want to challenge the Chair, then I'm going to leave it open to challenge.

Mr Tilson: No, sir, I wouldn't challenge the Chair. I'm concerned because—

The Chair: I understand Mr Decter has to leave, but—

Ms Poole: Mr Chair, might I make a suggestion?

The Chair: Yes, you may make a suggestion.

Ms Poole: Our caucus—

Mr Perruzza: Adjournment is not debatable. We've adjourned the debate for five minutes.

Ms Poole: We are willing to waive our five minutes of Mr Decter so he can leave.

Mr Perruzza: We're adjourned right now.

Ms Poole: If the government member—

The Chair: Order. I said I'm going to adjourn the committee. I did not say we are adjourned.

Mr Perruzza: No, you said we are—well, look, you don't have Instant Hansard here, but I can read it back to you.

The Chair: The committee is adjourned: a five-minute recess.

The committee recessed from 1521 to 1530.

The Chair: I call the committee back to order. I'm going to try to allocate time evenly, as fairly as I can. I foresee us going to about 4:30 today since we started at 1:30, if that's agreeable to everyone. If that's agreed, then we will divide the time up in 20-minute slots for each party.

Mr Wiseman: Point of order, Mr Chair: I believe I still had a question. I was in the rotation when you adjourned, and there were three minutes left.

The Chair: Unfortunately, the time had elapsed. I had intentions of allocating five minutes to the government party and five minutes to the official opposition when the deputy was here, but that time had elapsed, unfortunately.

Mr Wiseman: You had recognized me and then you called an adjournment, so I would assume that I had at least some time left.

The Chair: No, I had recognized you to tell you that I had certain rules that I abided by and that I had hoped you would recognize those as being of a civil nature and that we would proceed in that fashion. If that's not conducive to the kind of operations that you see with the committee, then you're open to challenge the Chair at any time. But that's the rule that I make around here, that people conduct themselves in as civil a fashion as possible and that there are no personal attacks, either on myself or anyone in the committee. That, for me, signals that the committee is not in order or that we've lost order on the committee, and then I call for a recess. It's very simple. If there's a problem, you can challenge the Chair, but I'm going to proceed on that basis.

Mr Wiseman: Mr Chair, I understand we still have time on the clock and I do challenge you on that basis.

The Chair: Okay, that's fine. We have to have a vote on that matter.

Shall the ruling of the Chair be sustained? All those in favour? All those opposed?

Shall the ruling of the Chair be appealed to the Speaker?

Mr Wiseman: I'd be satisfied if you'd just give me three minutes so I can ask my question.

Ms Poole: Mr Chair, might I suggest that's a reasonable compromise, rather than—

The Chair: Let me just clarify this. I'm going to take two minutes and recess to clarify the position with the clerk so that we can move in a formal procedural fashion that abides with the rules on the committee. We will then call the committee back to order. We're recessed for three minutes.

The committee recessed from 1533 to 1536.

The Chair: I call the committee back to order. Having conferred with the clerk, he informs me that this matter can be appealed to the Speaker. If that is the intention of the committee, then I would ask that the committee signal that. Is that the intention of the committee? Do we have a consensus around that? No?

Ms Poole: Mr Chair, rather than just worry about all these procedural issues, why don't we all agree as a committee that Mr Wiseman can ask his question and then we will not have to go to the Speaker for a ruling on this.

Mr Callahan: You couldn't find him.

Ms Poole: That's true. The Speaker may not even be here at this time. Then that will just deal with the issue and then we can divide the remaining time.

The Chair: Okay. Shall I then award Mr Wiseman several minutes of time for his question and that's agreeable to everyone? Agreed. Mr Wiseman, you have two minutes.

Mr Wiseman: Thank you. My question has to do with how we would find out if someone was ineligible for a card in the United States. Do you have some kind of liaison with the United States that, for example, applications for homestead or something would be turned over to you or you would be notified by some bureau in the United States?

Ms Patricia Malcolmson: Peter Burgess may wish to assist me with this, but when we have some reasons for suspicion with respect to individual registrants, we have in our verification unit a capacity to deal with the US immigration service and others there. I guess the intent of your question was, do we have a regular data feed from the US immigration service or something comparable that might be like the kind of feed we have from the registrar general, and Peter can correct me, but as far as I know, the answer is no.

Mr Burgess: That's absolutely correct. We dig for any and all information available on a case-by-case basis.

Mr Wiseman: How would you find out if somebody has applied for a homestead permit and then suspend their card? How would you do that?

Mr Jim Wilson: What's a homestead?

Mr Wiseman: They've bought a property in the United States and they've applied to live there.

Mr Burgess: A homestead grant or title, as I understand it, is only applicable to certain states. It's not US-wide. But on a state-by-state basis, we will phone the state authorities if we have reason to believe that someone is in a fact a permanent resident of the state of Florida or the state of Arizona. They cannot be a permanent resident of the United States of America and Canada at the same time, obviously; that's impossible.

When we get on a case-by-case basis confirmatory information from the appropriate jurisdiction, we approach the individual, if we can track them down, which we typically can by phoning the tax authorities and so on in the States, and we just notify them that their coverage has been cancelled due to ineligibility and we offer them the right to appeal to the Health Services Appeal Board.

Ms Poole: I'd like to ask some questions about the smart card technology and what could be and will be included on the card. I know the focus of this particular public accounts has been on fraud and trying to ensure that the proper verification is in place, but earlier this year we had several people who were very active in the area of smart card technology make presentations to our committee, and one of the things they said the smart card was capable of was having a microchip which would list all the drugs that person had and the prescriptions and the particular medical care. I think that was a very important concept, not only for the cost savings but also for the fact that it's very unhealthy for people to be overprescribed. If one doctor doesn't know what another one's prescribing, then it could be a problem.

My understanding is—and I may be wrong on this—as far as drug interaction, there is only going to be a record of those who are on the Ontario drug benefits.

Ms Malcolmson: That's correct.

Ms Poole: In other words, those are the ones where the taxpayer's footing the bill. Did the ministry investigate the cost of having this information put on all cards, this ability for the pharmacist or the physician or the hospital to have access to this kind of information on a microchip on the card, and why was the decision made that it would only be for the Ontario drug benefit recipients that this information would be kept, as opposed to on a broader scale?

Ms Malcolmson: I believe, as Mr Decter indicated yesterday, and Mr Stump, who is the manager of that project, when we was here, the idea here was to move one step at a time. I believe Ms Sullivan addressed some other similar questions around, where could you potentially expand the drug network? Yes, there's considerable potential for expansion, but this is already

a reasonably costly system. We want to see what we can achieve with a network. We think there are considerable benefits to be gained, as described yesterday, from having that network without carrying it farther.

We do have people in the room who are able to talk to smart card technology per se. You would have to issue people with those cards, which are much more costly than the existing card. The drug network is able to use the mag stripe that's on the back of the current card in order to achieve its objectives. You also would have to have a whole additional network system which would allow each provider to be connected to the network and then to be able to read what was on that person's card.

I think, as we mentioned yesterday, there are also considerable concerns around data exchange, freedom of information, when you carry things that far. I also would not think that the government readily has the legislated authority to collect data on transactions over which it has no control and for which it does not pay.

Ms Poole: We've heard several times about phase-ins and taking one step at a time, but I have two questions in that regard. How much more is it going to cost by having to wait to implement further technology? Secondly, what is the time frame, in your opinion, for a fully operational interlink system so that all the phases are completed and we have a card which gives us access to information, which has security features and which provides health coverage to every legitimate resident of this province? What is the time frame and what is the fully mature cost that's anticipated for doing this?

Ms Malcolmson: I think, as the deputy indicated yesterday, we are in the course of preparing a submission to cabinet on the development of the enhanced card, and we don't have final costings on that. I'm not sure whether your question has moved from the drug network to the enhanced health card itself. I'll address my comments at this point to the card itself.

As the deputy described yesterday, we are looking at a renewal cycle for the card, and we're expecting to recommend to cabinet a mode of implementation which will be gradual and will take some time to implement. Once fully implemented, depending on the renewal cycle—every three years, every four or five years—a card would be renewed. Five years is what the Ministry of Transportation has moved to, a five-year cycle.

With a renewable card, you can add a different feature if you wish. If your evaluation of what you have in place suggests that you need to add another visual characteristic on the front of the card or you need to add another data element to the mag stripe on the back, you can incrementally do that as part of your renewal cycle without starting from square one and beginning with a full reregistration of the entire province. So that's one aspect of the question.

The other is, yesterday the deputy was speaking about an interim card that could be used on the way to a photograph card. The interim card would be able to add characteristics in terms of labelling on the front side of the existing card that would make it more secure for any cards that are issued between the date of cabinet approving us going forward to a new card and actually getting cards with photographs and other security measures into the hands of all residents. So that's one aspect of it.

We are improving the application controls at the front end of the system. That's something that we can do administratively in terms of asking for only original identification requiring reconfirmation of residents with documentation. If an individual wants a card replaced because they've lost it or they want a card replaced because they've married and wish another card issued with a new name on it, in those cases we're doing things like trying to recover those cards.

There are a lot of measures along the way that we will be undertaking—and I think most of them have already been in one way or another described—that will increase the confidence we have in the system as we move towards a card with a photograph.

There are some key decisions that have to be made and cabinet will have to make them. You might look at the example of the province of Quebec, where it's basically ambulatory adults to whom cards with photographs are being issued. In that particular population, children, I believe under the age of 14, are issued with a card that does not have a photograph on it. If we recommended the same thing, the card that would be issued to children would have the additional labelling characteristics on the front of expiry date and sex and date of birth, those kinds of characteristics, and when a child reached a certain age, they would then as part of the renewal cycle be issued with a photograph card.

Mrs Sullivan: Thank you. I don't know if the ministry can provide this information or legislative research, but I think it would be interesting to review the Quebec experience with photo cards and any analysis that has been made in that province of the costs of implementation, of savings and security benefits that have entered the system as a result of their introduction of the photo cards.

I wanted to move further into the integrity of the addresses on the cards. Your project analysis report estimates that 26% of the addresses now on the database are incorrect. The testimony before the committee has provided an indication that there will be a considerable reliance on the service provider to update and provide correct information with respect to addresses as well as other things. The technology which we have been shown, however, appears to be one-way technology, so it appears that from a technological point of view there is not the opportunity for an update through the technol-

ogy we have seen, whether it's the voice-activated mechanism or others. I'm wondering what specific mechanisms you intend to put into place so that the service provider can provide an update.

1550

I'd also like to hear from the Ministry of Health what its views are of its legal authority to collect information or share information with the Ministry of Revenue or the Ministry of Transportation or other provincial ministries to ensure a linked update, and whether it's the ministry's opinion, because we are certainly going to be hearing from the Information and Privacy Commissioner etc, that additional legislative authority would have to be required before there is a mechanism that can be operable with respect to information exchange.

Ms Malcolmson: To take your second question first, I don't think the ministry has at this point fully determined whether legislative change would be required in order to share data. We have, however, been liaising with other ministries. We will be meeting with officials from the freedom of information office. Our legal staff is of course examining exactly what authority exists for making those kinds of exchanges of information. We already have, with respect to things like the death notifications, an exchange of data with another ministry which is supported by a legal agreement, and we have draft memoranda of understanding in other areas that are waiting final legal approval.

Certainly, as we go forward, we have to ensure that it is legally possible for us to proceed and that we can meet any concerns that the Freedom of Information Commissioner may have, and we intend to do that.

With respect to the addresses themselves, your second question would really be part of my answer to your first question, that yes, we would hope to be able to do a fair bit of address updating via exchange with other parts of government that have reason to obtain updated addresses from individuals.

As I believe Mr Stump explained yesterday, with the implementation of the drug network, which covers I believe 2.5 million residents in this province, we will have the capability of receiving updated addresses from pharmacies with respect to those individuals who have drug coverage along with their health coverage.

Mrs Sullivan: What is the mechanism for inputting that into the system? I think there's a problem.

Ms Malcolmson: Bob can talk to that. I am assuming that it will, if not initially, ultimately be via an electronic feed. The drug network is the first network to be put in place which follows the government's broad telecommunications plan, and we would hope it would ultimately be extended to providers' offices. Once you technically have a network in place, you can exchange information on a two-way basis, but Bob is the expert on this.

Mrs Sullivan: If I can just go back a couple of steps, Mr Decter earlier indicated to the committee that as a result of the OMA agreement there was two-way communication required: On the one hand, doctors would be paid for services provided to people who were becoming ineligible; on the other hand, the tit for tat, doctors would be expected, as would hospitals, to provide to the ministry updated information they come across with respect to the database.

We have seen examples of the technology that is now being tested in pilot projects. We see no mechanism that is secure for that information to be put into the system and be readily implementable within a short period of time. If you're saying to me that pharmacists, by example, will be able to update the record, the individual patient record, then I'm wondering whether you have examined the security of that. It seems to me that the provider ought not to be able to change the OHIP record.

What I'm asking is, what mechanisms are there in place so that the information will flow in an appropriate way and be confirmed, with the patient's involvement, to OHIP?

Ms Malcolmson: With respect to the exchange of addresses in the drug network, the mechanism is not fully in place; well, the network itself is not in place at this time. It is the subject of discussion in terms of security and appropriateness with technical systems security people, with freedom of information people. There may be someone else who has more expertise on that.

With respect to the OMA agreement, there was no mechanism for the exchange of that information specified in the agreement. How that information is exchanged initially will be the subject of discussion with the OMA as part of the joint implementation team to put in place various aspects of the agreement under the social contract.

Mrs Sullivan: Did the ministry have any proposals to put before the doctors before the agreement was signed?

Ms Malcolmson: With respect to the technological mechanisms for exchanging that information, I don't believe so.

Mrs Sullivan: This is very loosey-goosey.

The Chair: If I may, the auditor has asked to ask a couple of questions, and we will just add on some time.

Mr Peters: The questions I have are just to help to clarify some issues that have come around, so they're strictly questions of clarification.

The first one is just to deal with the swipe cards for a moment. Yesterday in the presentation, the presentation was made only to the effect that the cards that were swiped were either valid or invalid. Yet this morning, based on a question, there was a statement made that

the recipient of the view of the screen could also ascertain from the screen basic information of the health card content; I think the deputy said this morning that it would verify the gender, the age etc. That was not demonstrated—am I mistaken on that?—because the demonstration was only as to validity.

Mr Cavanagh: There was a lot more to be seen on the screen than what we were giving you verbally; unfortunately, due to time, we didn't have a chance to gather around and look at it. All of the information that's on the magnetic stripe, that particular computer program does pick up that information, displays it on the screen and then does the query and comes back with the result of whether it is currently eligible or not eligible. That information is available to any provider or anybody who has a swipe reader on their own local system.

Mr Peters: That's helpful, because it gave the impression that we were only checking validity and not eligibility. I just wanted to reconfirm that.

1600

Mr Cavanagh: There is an issue that technically we are checking eligibility. Technically, that's what the check is: eligibility for basic OHIP services, not a guarantee of payment or anything like that; it's just that basic eligibility. What's in this pilot is very limited information. It was based upon what our freedom of information people said we could obviously release to a bona fide health care provider, and no more.

Since we've developed the pilot, there's been further work, and undoubtedly, when we roll it out, we will provide more information. There's obviously a lot more that could be provided. It's going to be a decision as to what is appropriate and proper to provide.

Mr Peters: Thank you very much; I think that clarifies the point. You're quite right, and the demonstration was difficult to see from here in terms of what exactly was provided.

The second question deals with the two-hysterectomies case. According to the report you have left with the committee, these turned out not to be fraud cases but rather, in the vast majority of cases, billing errors.

While there has been a lot of questioning along the line of fraud, there's of course also concern, as we expressed in our report, and continued concern, about how much we're spending on the basis of paying for the wrong procedures or paying the wrong person; in other words, committing any other billing error. There also could be diseconomies or inefficiencies in that regard. It was kind of astonishing that those all turned out to be billing errors.

There was also a secondary question raised about the new OMA agreement, whether the doctors, who up till now—at least a number of them have gone public in saying that administration of the health services is a ministry responsibility and that the doctors' responsibility is to provide service. Under the new OMA agreement, are there any steps taken that in fact would reduce the billing errors? As supplementary information, I think you yourself are using right now in excess of 5,000 billing codes for medical services, so the potential is certainly there that the wrong procedure is billed and that billing errors occur. Does the OMA contract help you, and in what way?

Ms Malcolmson: In terms of intention, it definitely does. I believe the preamble to that section of the agreement indicates the OMA's concern with the problem of fraud and with the efficient and effective management of the health care system and indicates their desire as part of that agreement to work in partnership with the ministry to try to address the problems which exist. As we proceed along the way of implementing the social contract and continue to work together through the joint management committee, we will in fact be addressing together measures that can be taken to reduce fraud.

I believe the deputy had mentioned yesterday that in addition, we are now looking at some of the things we can do to improve controls on the provider side of the system; those analyses are still in progress. We know there are more medical rules that could potentially be put in place. Again, as with the registration analysis project, we hope on the provider side to find those places where we can best target our actions. That's part of the answer to your question.

One of the things that the registration analysis project did in this particular study was to point out that sometimes things that start off, in terms of analysis, appearing to be something that the people doing the work expect is going to show up as potentially some kind of problem on the client side does indeed turn out to be a problem on the provider side. Where the specific cases have been carried out, we have taken follow-up action in order to recover moneys where there have been inappropriate billings, and we're going to act more aggressively on that front just as we are acting more aggressively on the client side of things.

Mr Jim Wilson: Ms Malcolmson, yesterday in the deputy's presentation, one of his overheads dealt with social assistance reform. The line below that title said "Delinking Health Benefits from Eligibility for Social Assistance." It was contained in the policy legislative changes section of his presentation. Can you tell me what that means and what's planned with respect to delinking health benefits from eligibility for social assistance?

Ms Malcolmson: As the deputy minister indicated yesterday, the whole area of social assistance reform is in its investigative stages, but the general idea here is that there has been in the past some difficulty with respect to the welfare program when people who maybe

should no longer be eligible for welfare have become disadvantaged because, in going off welfare, they also lose access to health-related benefits. I believe the deputy used the example yesterday of a single parent with a number of children who, while she's on welfare, are in receipt of additional medical benefits.

While I can't provide specifics about how it's going to be done, because those have not been decided yet, the idea is to move health benefits into the Ministry of Health and separate them in some fashion, which will be determined by the Ministry of Community and Social Services and not by the Ministry of Health, from income-related financial benefits.

Mr Jim Wilson: That's an interesting answer but—

Ms Malcolmson: The work has not been completed and it's not being done by the Ministry of Health, so I can't—

Mr Jim Wilson: It was part of the deputy's presentation, though, and part of his sales job with respect to initiatives that are being taken by the government. I read that to mean you'll no longer be automatically eligible for certain health care benefits just because you're eligible for welfare. Delinking, to me—can you further explain what's intended there?

Ms Malcolmson: As I say, the work is in the early stages. I think there may be a couple of people in the room who have worked with the people in MCSS, but they haven't come forward with a formal proposal.

Mr Jim Wilson: Perhaps we should call a few. It's important because, and I don't say this with arrogance, it's one of the few things I've learned in the last couple of days. This hit me yesterday. I meant to ask the deputy, and other things about health cards, since it was part of his presentation.

Ms Malcolmson: Staff have indicated to me that drug coverage, for instance, under the Ontario drug benefit plan for social welfare recipients, does expand coverage to the working poor and unemployed. This has been proposed under drug reform, which is part of the work going on under the auspices of the drug programs reform secretariat, as part of the work being done there. I don't know if there's anyone else who can speak to this, because it's not at base a health initiative. It has not got to the point of formal, detailed proposals.

Staff are telling me here that there is a proposal, which has not been made public, that has gone to cabinet with respect to general welfare recipients who do not otherwise qualify as permanent residents of the province, who receive in certain circumstances welfare benefits but who would not, if separate from the welfare system, be eligible for a health number in the province.

1610

Mr Tilson: One further question. On the issue of the photo cards, you appear to have made the decision that you're going to use the photo cards. At the same time I get the impression you're still working on a whole slew of things, and you may even be open to other things, I don't know. I guess the fact that Visa, the oil companies and Mastercard and all these other people don't use photo cards—Mr Burgess and, I think, Mr Decter indicated that they're having discussions, albeit maybe informal discussions, with the people in Quebec as to the success of photo cards.

There are charts indicating all kinds of plans all over the province. There's no real specific control program that I have heard from anyone—Mr Decter, Mr Burgess, anyone—with respect to the control of fraud with respect to photographs being put on cards. The whole issue is: Can you produce a fraudproof card? I haven't heard anything to that effect. I assume you're looking at all kinds of things. You may not even have finalized your report for cabinet. So my question is: Are you looking at alternatives other than the photo card?

Ms Malcolmson: We're looking at a variety of measures that would alter the way the card looks. I think it's worthwhile noting that some other areas are in fact moving towards photo cards. Citibank is using a photo card in the US. We're talking to those people and we intend to continue our consultations and consult broadly before we finalize our cabinet submission.

The photo is only one aspect of the enhancement of the card itself. An enhancement comes with the addition of information on the front face of the card; it comes with the renewal cycle; it comes with the method that can be employed with respect to photographs. I think someone had mentioned what the Ministry of Transportation has now with respect to a photograph card, but what we are looking at is a process whereby the person's photograph is taken on the spot and digitally produced on to the plastic card rather than just being laminated. The signature can be digitized in the same way. There are additional features that can be added to the card such as a security film over the top.

Mr Tilson: I understand. Mr Chairman, I guess what I'm really doing is returning to your question some time today as to why this committee can't really look at the final product before it goes to cabinet. I don't know what's secret about it. I understand there may be some security matters and I again express the same concerns that you've raised. We listened to Mr Decter back in the spring or February talk about cards, we have now discovered that there may have been problems with the red-and-white cards—not may have; there are problems with the red-and-white cards. I think it's fair that this committee be permitted to hear the final presentation, taking out perhaps the issue of security, because we've spent a certain amount of time ourselves. That's the gist of that question.

I know there was a pilot project in Thunder Bay with respect to the smart card.

Mr Wiseman: Fort Frances.

Mr Tilson: Was it Fort Frances? I'm sorry. Why did the government, looking at that pilot project, reject the smart card?

Ms Malcolmson: I could ask someone to come up and talk about the specifics of the actual report there, but essentially that project showed that technically a smart card can work and provide security with a high degree of confidence. However, it is a fairly costly technology both in terms of the card itself and the need to have databases to back up the card, the need to replace and replenish data, a large amount of data, if a card is lost.

I guess in the health care setting there are a few practical problems, that you and your card may well be there when you give blood; you may not be there when the results of the tests performed on that sample are actually made available. So there's a necessity to always make sure the card continues to be updated. If there are problems around that, are there issues of confidence with respect to the data on that card, from a medical perspective not a security perspective? But really, is this the most up-to-date information, if that's what you're going to rely on with respect to—

Mr Tilson: So you've ruled it out, in short.

Ms Malcolmson: —your particular patient?

Mr Tilson: You've ruled the smart card out, is what you're saying.

Ms Malcolmson: For any large-scale application. I think the results of the project suggested that there might be some small-scale situations in which it was—

Mr Tilson: I have a question Mr Wilson has raised in the past that has to do with hospital cards and the issue that with a health card, a red-and-white card, you can go into any number of hospitals, which have their own machinery, their own computers and, it appears, with the consent of the ministry, have a whole slew of hospital cards which, to use Mr Wilson's words, are technically available on the street, can be disposed of.

What does the government propose to do about the potential fraud of the health card system as triggered by the hospital health cards? Do you intend to allow that process to continue immediately, even now and during the interim period and, finally, during the final photo card?

Ms Malcolmson: As Mr Decter indicated yesterday, we have initiated discussions with the Ontario Hospital Association with respect to the blue cards that are used in hospitals. I believe he also indicated that there's considerable variation in opinion on to what extent there is exposure to fraud in that particular situation. Certainly, as we move towards a combination of extending swipe card technology and having an enhanced health number identification card, we're hoping to be able to work with the OHA to see if in fact there is a way in which a single card can provide what is needed across the province. So those discussions are under way at this time.

Mr Tilson: Do you know of any immediate—do you have any knowledge of fraud that's going on now, or any irregularities that are going on now, with hospital cards?

Ms Malcolmson: I suppose there has been some mention of suspected cases in the press. It may be that members of the registration program branch can speak a bit more to that, but since our core concern in the ministry and in this branch is with the health card, we've not done extensive investigations on that front.

Mr Tilson: That's not true. With my health card I can go in and get any number of hospital cards, even from the same hospital. I can just say I've lost it; I need that blue card. So it's all tied in and then I don't need the health card. I can keep going back to the hospital or I can pass one around the room. There are all kinds of copies. To me, it's potentially a serious problem.

Ms Malcolmson: It's because there is some concern in that area that we've undertaken discussions with the OHA.

Mr Tilson: Okay, and what are your conclusions now?

Ms Malcolmson: We have not reached conclusions because we're still in the process of discussing with them these cards and the potential for alternatives to them. I gather there are other pieces of information typically on those cards that are made use of within a specific hospital environment which are not currently on the present card. I believe it was mentioned yesterday that the possibility exists for adding a stick-on label to the current or future health card to add the additional identification that might be needed in a hospital environment and we're looking, with the OHA, at what kinds of options exist that will serve their purposes and ours and reduce exposure.

1620

Mr Tilson: I understand. Hopefully you'll come forward with a report to the public or the committee indicating the results of those discussions, because I look at it as a serious problem, as Mr Wilson has indicated.

The registration analysis project recommends the philosophy of zero tolerance on health card abuse so as to realize the full benefits to the system that was introduced by the Liberals in 1990. Given the extent of the abuse that has been unfolded in the media and before this committee, is this feasible?

Ms Malcolmson: I would say that zero tolerance, from the perspective of those who monitor databases and do sampling and controlling investigations, is a goal. One hopes to get as close as is reasonable to a goal of zero tolerance. I think if we didn't proceed with the objective of having as fine a system as possible, we

wouldn't be doing our jobs properly. I don't think there's any—

Mr Tilson: As a goal, but is it feasible?

Ms Malcolmson: I don't think there's any system that can be probably 100%, but what we are attempting to do in responding to the findings of this report and other concerns is to move closer to zero tolerance than we have been before in terms of the way the system works, in terms of the attitudes and procedures inside the ministry. The deputy has also alluded to partnerships with the medical profession, with hospitals, to heighten awareness among members of the public, so I think we're moving closer to that goal. I don't think anyone can possibly say you could ever be 100%.

Mr Tilson: Can I just ask one more question to Mr Burgess that remained unanswered?

The Chair: There are exactly three minutes left and I'm going to—

Mr Tilson: I won't even ask it again, Mr Burgess. It has to do with the person who goes to the United States and does not stay there but comes back or gives the card to someone else to come back.

Mr Burgess: In terms of the question that Mr Wiseman asked, if we have an opportunity—

Mr Tilson: No, it wasn't in terms of the question Mr Wiseman asked. I'm talking about the Ontario resident or citizen who goes down to the United States, has an Ontario card, doesn't have a service down there, comes back and has the service recorded here, still has his old address in Ontario or gives it to someone else.

Mr Burgess: If we do not get a leak on that particular individual, there is absolutely no way, given the current state of our systems, that we can track that individual. However, we are getting leaks from neighbours, others, and we are taking action on those that we find out about.

Mr Jim Wilson: A quick follow-up on that, though, with respect to physician responsibility in helping us police the system: I recall a Toronto Star article where a Windsor doctor admitted late last year, "Oh, I know 12 of my patients are residents of Detroit." What's going to happen now when a physician—in conversation, physicians often find out where people really live.

Mr Burgess: As I reported at the last public accounts, we actually did phone that physician and he claimed to have been misquoted and did not give us any information about those patients. That's that specific case. However, we have had other physicians in border areas who have phoned us and have given us information either to our 1-800 hotline number or directly to my office and we have acted on each one of those pieces of information. If anyone calls me, we dig into it; we find out what we can; we take appropriate action.

Ms Malcolmson: I might add to Mr Burgess's comment by saying that as part of the agreement with the OMA, we're moving to remove the primary concern that providers have in this kind of situation, which is any legal liability they may have or any concerns about being culpable because of release of potentially confidential information. We have legal staff working on that, so we hope that the level of disclosure to us of suspect cases will in fact rise as a result of the resolution of those ancillary problems.

Mr Jim Wilson: Yesterday, we heard mention by Mr Decter of some comment about a government smart card which would encompass all the ministries and all the plastic cards out there that governments issue. Before you do a final report, I don't know how we could do one at least asking Management Board what the status is of its progress on that, because the Ministry of Health hasn't been able to provide a lot of information about that. The worry, I think, of the committee is, are you going to spend a few more million dollars on putting photos on the current cards when, five years from now, we may end up with a government smart card?

Mr Perruzza: Where are you? On the deck of the starship Enterprise?

Mr Callahan: It's not Star Trek.

Mr Jim Wilson: I'm looking for direction on this.

The Chair: Perhaps, Mr Wilson, we will be in closed session tomorrow and will have an opportunity to discuss where the next set of directions might be for the committee to go on this matter. That's the opportunity we have in camera tomorrow. I think that can be pursued further at that time.

Mr O'Connor: I guess what I'd like to start off with is to point out the fact that we have come a long way in the last decade. In the last decade, we've seen the OHIP numbers go up to 26 million, and now we're down to bringing something in line. I guess we should thank the Liberals for starting something. Maybe what they started wasn't perfect, but we're improving on it. We've got a long way to go.

Mr Jim Wilson: That's how we got in this mess.

Mr O'Connor: I know that the minister has been extremely persistent on the fact that there be developed an investigative unit to—

Mrs Sullivan: That's how we got out of your mess.

Mr O'Connor: Excuse me. The minister is persistent that there be an investigation unit set up to take a look at any misuse of the OHIP card. She's very concerned about that. The Medical Review Committee, in taking a look at medical physicians who have billed and then have had to repay to the government, within the last decade we've seen it go from around $700,000 to over $2 million for last year. So we've seen an incredible change in that.

Obviously, going through that, then, there has been a recovery system that's happening. I guess what I'd like

to ask, and maybe we could get someone here from the auditing team of the Ministry of Health to take a look at, because we are in the public accounts committee, and go through some of the practices that they follow, because obviously some of the practices that they follow are improving the system. We've seen the numbers in the last decade go from $700,000 to over $2 million, an incredible amount, so there's a lot of change happening. Do you have somebody here, behind you, who might be able to help me from the auditing team?

Ms Malcolmson: Yes, Karim Amin, the director of our audit branch, is here and certainly, as the deputy's presentation yesterday clearly indicated, the work that is done by our audit branch is extremely valuable to the ministry and to the government in managing the costs of the health care system. The mandate of the audit branch extends well beyond the health card issues that we've been discussing primarily in this meeting.

Mr Amin: Mr O'Connor, I think the $2 million you refer to extends from work done by the MRC; is that correct?

Mr O'Connor: That's right.

Mr Amin: Our branch does not get involved in the profile management or what are considered to be deviations from our practice that are done by the provider services branch within OHIP. So I guess I couldn't discuss specifically that part of your question.

1630

Mr O'Connor: You are involved in the project development of the special investigations unit, though?

Mr Amin: Yes. We are doing that, and as you know, that is just a few weeks old. As the deputy said, we have engaged the firm of Lindquist Avey to help us in that area.

Mr O'Connor: Will that team then work with the audit branch if there are areas that it feels need to be investigated?

Mr Amin: Conceivably, yes. The protocols for exchange of information and for referral of cases to the investigation branch are yet to be worked out, but I'd like to think that eventually whatever comes to the investigation branch will come on referral from other areas of the ministry. It could be from the physician area, it could be from the drug benefits area, the nursing home area, because you do have a number of areas in the ministry where we have inspection or quasi-investigative functions.

Mr O'Connor: How large is your team of auditors?

Mr Amin: The branch has 31 employees.

Mr O'Connor: They audit every aspect, then, of health care that is billed through the ministry?

Mr Amin: They audit, on a priority basis, operations of the ministry and of transfer payment agencies. I say on a priority basis simply because, with the size and the sheer numbers of our operations, it is virtually impossible for 26 auditors plus a few supervisors and support staff to do all operations on a cyclical basis. It's just impossible. What we do is we chase down those situations that are really hot fires or where management requires information or opinions.

Mr O'Connor: Has your department then found areas that concern you, that could be fraudulent, that will or could be sent to the special investigation unit?

Mr Amin: I think in the past we have done work with forensic accountants based upon some of the findings from the audit branch and we have engaged forensic accountants to assist in the past. I think now that we are developing enough expertise, the linkage between the audit branch and the forensic area or the investigative area will be something quite formal, and we'll be expected to have a very close relationship with that unit. Suffice it to say that I happen to be the director of both areas, so we shall ensure that their linkage is quite appropriate.

The Chair: Mr O'Connor, just on a supplementary, I'll add one minute of time, but I think this is important in this context for our committee because your branch does auditing of financial statements and not the kind of auditing that would involve value-for-money that the auditor would undertake to do. Is that correct? Is that a fair assessment?

Mr Amin: I have to disappoint you. We do value-for-money. We do management reviews and we do financial reviews also.

The Chair: You're not disappointing me then. You're making us happier.

Mr Amin: Then you make me happy also.

Mr Tilson: I think I want to hug somebody. Are we all happy?

The Chair: Now we're all happy.

Mr Amin: I think it's wonderful when the political and the bureaucratic ends can say those things to each other.

We do a broad range of work and there are occasions on which we second physicians and nurses or health care workers to our branch so that we can have that expertise to deliver our service to senior management. So we do a broad range of work.

Mr O'Connor: I want to thank the Chair for that interjection because it certainly did seem to help the morale within the ministry. I appreciate his momentary interjection and would yield the floor to my colleague.

Mr Frankford: I wonder if we could explore some of the things that have happened in Quebec. Are you aware that having picture cards has made any impact on the overall costs?

Ms Malcolmson: I think perhaps there are staff here who have talked to the people in Quebec. They are, I

believe, still in the process of evaluating their experiment because they are renewing to a photo card on a cycle, so I don't think they in fact have done all of the province as yet. But in even having people contacted to reapply for a card that would require both a photograph on it and additional documentation confirming residence, a significant number of people did not reapply, obviously suggesting that they were not eligible and were now being put in a situation where their ineligibility would be exposed.

Mr Frankford: How does one become ineligible?

Ms Malcolmson: Well, either they weren't eligible in the first place or they no longer are eligible, as in the difficult situations that Mr Burgess was speaking of before when someone may have been perfectly, legitimately eligible when they applied and then they leave the province permanently to live elsewhere and have not given up their card so that eligibility ceases.

You might be interested to know, though, with respect to other provinces, that when you leave one province, you go and you apply for coverage in another province, and we have an exchange on a monthly basis of registration information with other provinces and territories in this country which allows us to delete no-longer-eligible persons from our database on the basis of information supplied by other provinces, and of course they can do the same. That information is increasingly in fully automated form, which will make it progressively more useful in a timely fashion.

Mr Frankford: But there you're talking about bona fide Canadian residents, so they would always be covered somewhere. They can in fact get Ontario health care on a BC card if they happen to be here, and there is a reciprocal arrangement, is there not?

Ms Malcolmson: If someone is simply visiting, there is a reciprocal billing arrangement. But obviously any provincial jurisdiction, and I guess particularly in these times, is anxious to ensure that it is providing health benefits only for those persons who are indeed legitimate residents of the province.

Mr Frankford: But in a sense Ontario pays for Ontario services because of a reciprocal arrangement, although I think Quebec is an exception, isn't it?

Ms Malcolmson: Yes, the reciprocal billing arrangements are meant to serve individuals who are residents of a given province when they are travelling in other provinces in the country. What I was referring to in terms of the exchange of information is when an individual moves permanently out of one jurisdiction into another one. Yes, there is a reciprocal process and, yes, Quebec is the primary exception to that.

Mr Frankford: On the photo issue, we had some clippings provided earlier in the year, and it seemed to me that there were some difficulties in implementation. I believe individuals had to pay and had to go to a passport photographer; they couldn't just use a machine. I'll just remind the committee that it was politically quite contentious, certainly from those clippings early on, and I don't know if that situation continues.

Ms Malcolmson: I don't think I'm the person who could speak with expertise on the Quebec system, but with respect to learning from their experience, ministry staff have consulted with the province of Quebec and will as we develop our final cabinet proposals, so we can benefit from their advice as we are benefiting from the advice of this committee.

Certainly, in terms of the technical aspects of the photograph, we are looking in Ontario at options that involve the photograph being taken at the place where you submit your application rather than bringing a photograph with you which is, I believe, the procedure currently in Quebec. I don't know whether, Peter, you can add to this. I think that they themselves in evaluating it have, as we hope to do, a renewal cycle. They may wish to make changes to improve any deficits, and we would hope to learn from them.

Mr Frankford: Again, I don't know if you can help me, but the question of exploring non-card alternatives, do you know if, with the community health centres, CLSCs, centres locaux de services communautaires, do you register? Do you have to have a card? Do you know the procedure?

1640

Ms Malcolmson: I believe everyone in the province of Quebec has a health card.

Mr Frankford: But the community health centres, CLSCs, which are, I think, more extensively provided than in Ontario, do you know if—

Ms Malcolmson: I am not aware of whether or not it is mandatory to present your Quebec card in that particular situation as it is in a physician's office.

Mr Frankford: Ms Campbell's suggestion that there should be a $5 user fee for, as I understand it, CLSC users or registrants or whatever if they go to emergency departments, that implies to me that there is some way of identifying the individual as a health centre, CLSC user. I guess we may have to investigate this more, but it does suggest that there is some sort of registered population and, as I have pointed out, with a registered population with some attachment to a health centre, you can get into a non-card approach which, listening to all the complexities of the card system, I think we should be looking at it very seriously.

Ms Malcolmson: You would have to ask people in the province of Quebec exactly when the presentation of a card is required, but certainly in this province, in Ontario, the existence of a health card for members of the eligible population coexists with a roster-based system in HSOs because the system does not, as we know, apply to all of the population or to all of their

health needs so that even if you are receiving health services in a rostered situation, you may have other circumstances in which you need to definitely use your health card.

Mr Frankford: Then we also have budgeted CHCs which don't in fact require any card at all, so far as I know. That was one of the reasons for their being brought into existence. If you go to a CHC, it is set up to provide care for refugees and people with no coverage.

Could I request that the researcher provide some information on the CLSC registration system?

The Chair: From our research?

Mr Frankford: Yes, as to whether you do have to register or whether you require a card and to provide some more information to us about possible non-card approaches.

The Chair: We can our research people to come up with some of the information on that, if that's possible, perhaps for tomorrow.

Ms Cynthia Smith: I'll try.

The Chair: If not, we'll have to get back with that information. Mr Wiseman.

Mr Wiseman: I'd like to go down another route. I understand that, I think it was Sunnybrook hospital that was giving out bills, "Do not pay this," but it itemized down the list all of the services that had been provided to the patient and then the patients was required to sign the bottom, if I understand it correctly.

Whatever happened to that study? What did we learn from that in terms of (1) the accuracy of billing and (2) the ability of that type of activity to make the system more accountable in terms of who used it and what they received?

Ms Malcolmson: I don't know that the Sunnybrook study was particularly aimed at accuracy, if filling in the information there was meant to provide individuals with what the total cost of their care for a particular episode of illness had been, most of which was hospital-based care so a lot of the costs being indicated are not ones that are billed on a fee-for-service basis, although there might be a physician component somewhere along the line.

I believe that the people at Sunnybrook consider it a valuable method of patient education, and certainly I believe various Health ministers of all parties have at various points in time expressed considerable interest in having a capacity to report the cost of people's health care on a periodic basis to at least some portions of the population.

If you'll recall from Mr Decter's presentation yesterday, the possibility of providing a financial statement to holders of health cards was in the list of future possible initiatives. It would take a fair bit of work and in hospital situations some kind of extrapolation of what portion of a global budget was attributed to an individual's care as well as the care that is paid for via the fee-for-service system. So it's always an area in which there has been, I think, a considerable amount of interest.

In the Sunnybrook situation, I believe it was quite closely linked to their own fairly detailed case mix management process, whereby they were trying, for their own internal management purposes, to be very accurate about the costs of different procedures and different lengths of stay in that hospital, and in effect a spinoff or partial spinoff of that was the provision of information to some patients. If the committee wished more information on that, I would recommend that it actually go to the people at Sunnybrook and request their evaluation of what they've been doing.

The Chair: Any further questions, although we've run out of time?

Mr Wiseman: Tomorrow's fine.

The Chair: We won't have the ministry people back tomorrow. We're in in camera session.

Mr Wiseman: Then one really quick question. I raised this issue yesterday with Mr Decter and I had another conversation with my disabled friend last night. There are a whole host of requirements that the disabled have to get a letter from their doctor for, and some of them are really absurd. I don't think the system should be required to pay for them. But they have to go and get a letter from their doctor if they are applying to have their sidewalk shovelled under some municipal program. How much does it cost for a visit like that, just to check up for some person who is permanently disabled to be told that he's still permanently disabled?

Ms Malcolmson: I'm not sure whether that would fit in under the third-party arrangements which have been recently exempted from payment by the government, whether having a form signed, a checkup not for a reason of medical necessity, but as with the case of camp medicals, those are things for which the ministry no longer pays and those things can be billed directly to patients.

I'm sure there are ambiguities in the situation of people who are disabled, because there may be some variations. A person may be permanently disabled but perhaps their physical condition is deteriorating over time and they may be eligible for higher levels of one support or another that may actually require medical intervention.

However, as the deputy mentioned yesterday, I think there's a growing acknowledgement that in many cases it is inappropriate to use the very high level skills of physicians for sophisticated bookkeeping purposes. I'm sure this is exactly the kind of thing that we will wish to put on as part of our agenda for discussion in the joint management committee which we have with the

medical association. The deputy did indicate yesterday that we will take under advisement your suggestion that perhaps there may be some way to provide perhaps, whether it's on the mag stripe or something else, some indication of status with respect to disability that might be helpful.

I'm sure there are lots of issues around those kinds of things. Certainly when we looked at the initial reregistration on the previous occasion, we had representation of the sort that you're talking about and also from individuals who thought it would be a good idea to have blood type indicated on the card, others who thought that some indication on your card could replace an organ donor card. Those are some good ideas that need to be evaluated along with the others that we've received from this committee as we move forward with the fine points of our submission to cabinet.

The Chair: Thank you very much. We've run out of time. I want to thank all of you ministry officials for being patient with us today as we waded through this exercise and I'd like to thank you for appearing before us today. I'm not sure that we won't be coming back to this subject again some time in the fall, but I think we've made some progress today. Thank you very much for your cooperation.

Ms Malcolmson: Thank you for the input that you've given us to the process that we consider to be as important as you do in making the system better and more secure.

The committee adjourned at 1651.

CONTENTS

Wednesday 8 September 1993

Annual report, Provincial Auditor, 1992 ..... P-151
Ministry of Health
Michael Decter, deputy minister
Peter Burgess, director, registration program branch
Gilbert Sharpe, director, legal services branch
Karim Amin, direct, audit branch
Robert Cavanagh, director, systems support branch
Patricia Malcolmson, assistant deputy minister

STANDING COMMITTEE ON PUBLIC ACCOUNTS

*__Chair / Président:__ Cordiano, Joseph (Lawrence L)
*__Vice-Chair / Vice-Présidente:__ Poole, Dianne (Eglinton L)
*Callahan, Robert V. (Brampton South/-Sud L)
Duignan, Noel (Halton North/-Nord ND)
Farnan, Mike (Cambridge ND)
*Frankford, Robert (Scarborough East/-Est ND)
Hayes, Pat (Essex-Kent ND)
Marland, Margaret (Mississauga South/-Sud PC)
Murphy, Tim (St George-St David L)
*O'Connor, Larry (Durham-York ND)
*Perruzza, Anthony (Downsview ND)
*Tilson, David (Dufferin-Peel PC)

**In attendance / présents*

Substitutions present/ Membres remplaçants présents:
Rizzo, Tony (Oakwood ND) for Mr Duignan
Sullivan, Barbara (Halton Centre L) for Mr Murphy
Wessenger, Paul (Simcoe Centre ND) for Mr Hayes
Wilson, Jim (Simcoe West/-Ouest PC) for Mrs Marland
Wiseman, Jim (Durham West/-Ouest ND) for Mr Farnan

Also taking part / Autres participants et participantes:
Peters, Erik, Provincial Auditor

Clerk / Greffier: Decker, Todd

Staff / Personnel:
McLellan, Ray, research officer, Legislative Research Service
Smith, Cynthia M., director, Legislative Research Service

CA2 ON
XC21
-P72

Government
Publications



P-12

ISSN 1180-4327

Legislative Assembly
of Ontario

Third Intersession, 35th Parliament

Assemblée législative
de l'Ontario

Troisième intersession, 35e législature

Official Report of Debates (Hansard)

Friday 10 September 1993

Journal des débats (Hansard)

Vendredi 10 septembre 1993

Standing committee on public accounts

Comité permanent des comptes publics

Annual Report,
Provincial Auditor, 1992:
Ministry of Housing

LIBRARY
OCT 19 1993
University of Toronto

Rapport annuel,
Vérificateur provincial, 1992 :
ministère du logement

Chair: Joseph Cordiano
Clerk: Todd Decker

Président : Joseph Cordiano
Greffier : Todd Decker

Published by the Legislative Assembly of Ontario
Director, Hansard Reporting Service: Don Cameron

Publié par l'Assemblée législative de l'Ontario
Directeur, Journal des débats : Don Cameron

Hansard on your computer

Hansard and other documents of the Legislative Assembly can be on your personal computer within hours after each sitting. Sent as part of the television signal on the Ontario parliamentary channel, they are received by a special decoder and converted into data that your PC can store. Using any DOS-based word processing program, you can retrieve the documents and search, print or save them. By using specific fonts and point sizes, you can replicate the formally printed version. For a brochure describing the service, call 416-325-3942.

Index inquiries

Reference to a cumulative index of previous issues may be obtained by calling the Hansard Reporting Service indexing staff at 416-325-7410 or 325-7411.

Subscriptions

Subscription information may be obtained from: Sessional Subscription Service, Publications Ontario, Management Board Secretariat, 50 Grosvenor Street, Toronto, Ontario, M7A 1N8. Phone 416-326-5310, 326-5311 or toll-free 1-800-668-9938.

Le Journal des débats sur votre ordinateur

Le Journal des débats et d'autres documents de l'Assemblée législative pourront paraître sur l'écran de votre ordinateur personnel en quelques heures seulement après la séance. Ces documents, télédiffusés par la Chaîne parlementaire de l'Ontario, sont captés par un décodeur particulier et convertis en données que votre ordinateur pourra stocker. En vous servant de n'importe quel logiciel de traitement de texte basé sur le système d'exploitation à disque (DOS), vous pourrez récupérer les documents et y faire une recherche de mots, les imprimer ou les sauvegarder. L'utilisation de fontes et points de caractères convenables vous permettra reproduire la version imprimée officielle. Pour obtenir une brochure décrivant le service, téléphoner au 416-325-3942.

Renseignements sur l'index

Il existe un index cumulatif des numéros précédents. Les renseignements qu'il contient sont à votre disposition par téléphone auprès des employés de l'index du Journal des débats au 416-325-7410 ou 325-7411.

Abonnements

Pour les abonnements, veuillez prendre contact avec le Service d'abonnement parlementaire, Publications Ontario, Secrétariat du Conseil de gestion, 50 rue Grosvenor, Toronto (Ontario) M7A 1N8. Par téléphone : 416-326-5310, 326-5311 ou, sans frais : 1-800-668-9938.

Hansard Reporting Service, 481 Legislative Building, Toronto, Ontario, M7A 1A2. Phone 416-325-7400. Fax 416-325-7430

STANDING COMMITTEE ON PUBLIC ACCOUNTS

Friday 10 September 1993

The committee met at 1010 in room 151.

ANNUAL REPORT, PROVINCIAL AUDITOR, 1992: MINISTRY OF HOUSING

The Vice-Chair (Ms Dianne Poole): Good morning. As members are aware, we have been discussing, over the past number of months, the auditor's comments relating to the Ministry of Housing operations. The committee did send to the Ministry of Housing a set of draft recommendations for comment. The committee has now received those comments and the Deputy Minister of Housing is with us today to make additional comments on the ministry's response.

I'd like to ask Mr Dan Burns, the deputy minister, to begin. I believe he has a colleague or he may wish to introduce other colleagues who are in the audience today. I believe you have a brief opening statement.

Mr Daniel Burns: I'm joined at the table by Mr Peter Schafft, who is the acting executive director of housing field operations and has responsibility for the delivery of the non-profit and cooperative program. I anticipate that there may be times in our discussion when a more detailed look at some of our activities and work plans might be appropriate, and at that point Peter will join the conversation.

I have with me a few other ministry staff who may also be needed to make a productive contribution to the discussion: Shirley Hoy, assistant deputy minister for housing operations; Brad Singh, director of the audit branch of the ministry; Janet Mason, director of the housing policy branch; Dave Martin, director of the programs branch in housing field operations—they do program design; and Patti Redmond from my own office.

I would like to speak for a couple of minutes to open the discussion. This follows on three days of discussion that we had on March 9, 10 and 11. We were asked to return to the committee in order to have a discussion of the draft recommendations of your report that flowed from our discussion in March. As the Chair has indicated, we have written back to you saying essentially that we think that the recommendations make sense, a couple of qualifications on them but nothing, I think, of major departure. I think I'd like just to open by emphasizing that.

As we indicated in March, we had in place some of the things that the auditor indicated we should, that we had plans to develop many of the others and that we were putting in place plans for the remaining issues that were raised.

We have made progress, we believe, in all of those areas. I indicated in March, in relation to a couple of areas, that we had quite specific goals for particular activities and we'd be happy to revisit any of those that the committee might wish to discuss in more detail.

I will say, however, that since March the ministry, along with other ministries, has had to invest a considerable amount of time in looking at issues of expenditure, planning and control. A lot of the people who do that in our ministry are the same ones who work on the issues that were discussed in March. So we have had to divert some of our resources in order to prepare first the expenditure control plan for our ministry and then to ensure that we had in place what was necessary to implement it. Members of the committee will remember that in our case the expenditure control objective for this year in our ministry was $132 million on the expenditure side, in addition to administering the windup of the Ontario home renewal program, quite substantial amounts of work.

I just want to touch on a few of the important elements of the discussion in March, and of your report and the recommendations: improving our allocation system, improving our capital cost control system, reviewing the use of appraisals in our system, establishing budget norms and standards for non-profit operating budgets, the design and implementation of a new system of accessing non-profit housing. These are all areas that we have been working on which we've made progress on since March, on which the committee has recommended not just our continued work but has recommended that these are important areas from the point of view of the committee and that we should be pursuing them diligently.

To touch on a couple of things in particular, we continue on our work to both upgrade and integrate our information systems so that rather than being able to look into our system only through particular windows, you'd be able to look at it in a more comprehensive way, something we discussed at length in March. We continue to work on that.

We have greatly extended our system for monitoring market conditions, and again, that reflects the importance of that. It's something we discussed at length in March.

We have implemented the conflict-of-interest guidelines we discussed in March. I'd like to repeat what I said in March, that the assessment of the auditor and the material in his report have been very helpful to us in assessing what we need to improve and in helping us to design an approach to it.

A great many of the items of improvement that we talked about are tied to the design of the program that's now being implemented: Jobs Ontario Homes. As each stage of that program unfolds, it contains within it the improvements and reforms we think are necessary and that cover the kinds of subjects we discussed in March.

Just before I conclude—that's all I really wanted to say by general introduction—I would like to offer committee members the package of materials that people got who applied for this round of support for non-profit and co-op housing. They contain within them material that covers a lot of the subjects we discussed in March. Many of you may already have had this package, some may not have, but I think for your own records and the records of your staff it might be a helpful package to have. I don't intend to introduce it or discuss it. I just thought it might be useful to your own work.

Mr Joseph Cordiano (Lawrence): On a point of clarification, Madam Chair: This deals with Jobs Ontario Homes.

Mr Burns: Yes.

Mr Cordiano: So it's new information, or is this information that was available before?

Mr Burns: That particular package was published on May 31, so it was not available in March, but it deals with some of the subjects we discussed in March in the current program.

Mr Cordiano: All right.

Mr Burns: I don't think, unless committee members want, that it's necessary or worthwhile to walk through each of the recommendations, from my point of view—but rather to leave it to the committee to focus on the things it would like to discuss further in this morning's session.

The Vice-Chair: Thank you, Mr Burns. We appreciate the fact that you've left a substantial amount of time for questioning. We will have the questioning in three rotations, to begin with, a 20-minute rotation beginning with the official opposition. Members should have before them the memorandum from Ray McLellan dated September 7, which has a copy of the draft recommendations which were sent to the ministry as well as the ministry's response.

If I could ask members for their indulgence in one way: When you are referring to a recommendation or a response in the brief, could you please give us the page number just to make it easier for members to follow the particular section you're quoting.

Before we begin, did the auditor have any comments?

Mr Erik Peters: No.

Mr David Tilson (Dufferin-Peel): Does Mr Burns have this document that you've just referred to?

Mr Burns: In fact, I have opened my tab to that particular document. That's the one, dated September 7, from Mr McLellan to this committee.

The Vice-Chair: Good. We seem to be set. We'll begin with Mr Cordiano from the official opposition.

Mr Cordiano: Let me start off by saying that I think your recognition of some of the basic concerns this committee has outlined over the past several months and over the past half year, that your general agreement with the direction we're taking and that our concerns are of importance and value to you and the direction we're taking are in agreement with what you think is important—I think that's great.

1020

I find a great deal of encouragement in the fact that, number one, you're recognizing there are these problems, and two, that you're interested in doing something about it. That's where I think we stand right now. What do we do about these problems?

Obviously, from our perspective, at least mine, I am very interested in finding out more about that. I think it's important at this point in time to know how and when you're going to implement an action plan to deal with all of the various recommendations we've put forward.

I think it's important, as you've pointed out, that you're undertaking that work, but from our committee's perspective to know just what that means, and time lines and establishing a schedule for when these things can be accomplished and what kinds of resources can be allocated are very critical, because the fact that people agree with concerns and then do nothing about them is really not substantial. It means that the work of this committee doesn't go very far and it means that you're not going to be able to do what has to be done. It means they're basically empty promises.

I think we need to see an action plan and we need to see one that's structured, that's comprehensive, that has very definite time lines attached to that and does another thing for us as well: It gives cost-benefits analysis for those expenditures.

We can go through the details of that, but I want to get your general comments with respect to that, if it's possible and if you agree with that line of thinking; I know it's possible, but from your perspective, first of all if there's any political will to do this. Let's leave bureaucratic will aside for a moment, but certainly the political will must be there for this to be carried forward.

Mr Burns: I'm not in a position to advise you about political will, but I can certainly tell you that there is the administrative will to carry through on the recommendations that we're talking about here today.

To go back through your comments in reverse order, in relation to a work plan, we've actually implemented some of the subjects raised in your recommendations.

Others are the subject of work and yet others have a work plan in early stages. We haven't designed a work plan around these recommendations, but rather around the pieces of work as they make logical sense to us.

However, though I can't do it right this minute or for Monday either, I'm certainly prepared to write again to the committee with our work plan material as it relates to the recommendations that are made here. I say that to committee members here. I'm certainly prepared to discuss them, and in a couple of cases I think we actually have work plan material here with us. For example, I think we have our technology integration work plan here and a couple of the others.

Let me assure you that we have work plans to cover these subjects. Some are here today; others are not. If you would like them, I'm quite prepared to write to you with them. I should also say that in our interim letter in the summertime, in a couple of subject areas we did include our work plans. So some of that material we've already given to the committee, and I'm quite prepared to extend that to the entire universe.

Mr Cordiano: I think that's good to hear and I think it's indeed noteworthy that we're making some progress and that there's a willingness on the administrative side, as you put it. In that spirit, I think we can then support you in your efforts to make sure that indeed most of these items are put forward in an implementation plan.

We'll get to details in just a moment, but I think it's important to outline what the intentions are with respect to these recommendations. Again, as you've stated, there's a willingness to do this. In our efforts to be fair and equitable in terms of our constructive criticism then, we would have to size up the time lines and the kinds of resources that you're allocating and determine if in fact you do have the necessary resources. That may very well be a difficult area for you or any other department of the government, but it's in fact an area that needs to be given priority as far as this committee is concerned. Therefore, we want to support you.

But let me get to some of the areas that I would like to touch on with you. You say that, with respect to need-and-demand studies, you have in place a new allocation system. The model will allow you to distribute units according to regional need and so on and so forth. But I would like to get a better understanding of whether this model is workable at the present time and when it will go into effect given the new allocations that were announced by the minister just several months ago and if in fact this model will be used to determine need according to those allocations; if there's a match there.

Mr Burns: In the meetings we had in March we had some discussion of how we tackled the problem of allocations for a group of projects that we evaluated and gave commitments to in December and January. We said at that time that we'd used largely the old system. The proposal call we issued around about the first of June, which you now have a copy of in front of you, contains the new approach.

In an appendix to that, appendix A, there is the regional distribution process which you alluded to specifically, but there are other parts of the material that we issued publicly that deal with other elements of it.

I'd now like to ask Mr David Martin, who's now at my left, the director of the programs branch, which is responsible for program design, to take just a couple of minutes to give you the principal features of that new system. We won't belabour it, but just the principal features.

Mr David Martin: The package you just received does have a description of the new process for the first large—what we call a wave—wave 1 of the Jobs Ontario Homes program. You may recall that the first announcement of the first 2,000 units last fall was for the jobs-ready or ready-to-build-very-soon component which has been already allocated and those programs are being committed now.

That used a different process which responded in part to the concerns of various groups, including the Provincial Auditor's report, on where we allocate. That first 2,000 units did have a list of places where we would not, for that small component, authorize groups to go ahead and prepare designs and project proposals.

The package you have covers the first wave of the regular program project proposals, and they have come in now in great numbers as a result of the first announcement at the end of May. So the package you have was sent out the end of May to a variety of groups; proposals have come in as of the middle of August. They will follow a process that's outlined in schedule 2 of that package, which describes some of the requirements for the material. In that package, towards the back is appendix 2, which describes the process we're now using.

1030

In effect, it takes a different approach than we had with the Fair Share model. The major concern about the Fair Share model was matching the regional or large area breakdown of what is needed to the local requirements for need and demand, and because the local market, the land market, the needs of groups, can change quickly, it was not a good system in order to adapt quickly. So the process that is included in that appendix and the groups have been using and did use in their first applications categorizes in three different categories the kind of information and need-and-demand profile we think we currently have of different communities.

The Vice-Chair: I'm sorry to interrupt. You mentioned appendix 2. Could you hold that up?

Mr Cordiano: You're referring to this document, called Jobs Ontario?

Ms Patti Redmond: It's the stapled part that says schedule 2.

The Vice-Chair: Okay, so not in this document.

Mr David Martin: We'll get you a copy if you can't find it. It looks like stapled rather than cerloxed—rather than bound. Okay? There are several of those.

The Vice-Chair: Okay, so it's schedule 2.

Mr David Martin: There are several appendices and the one that describes the question we're talking about is appendix A, the distribution process.

The Vice-Chair: So we're looking at schedule 2, "development concept requirements for new construction project."

Mr David Martin: That's right. Towards the back of that is a description. I won't go through that, but I just note that the priorities in terms of allocation are based in good part on need and demand proven by the proponents of the proposal. Rather than have them categorized in a general way like the old model did and have each group basically make its own case as best it could, we've categorized within the province, by municipality, the areas where we think there is proven need, here is where we think we need more information in order to make a recommendation for allocation to that area and areas where it will take a very good case by the proponent to show there is need for the client group they wish to serve. The columns A, B and C, and people are using municipality A, B and C as their own categories, what they have to do for proposals, is in the page after the start. It's about the second page of that appendix.

Mr Cordiano: Can I ask you how to differentiate this model from what you had in place before? Give me some of the significant changes. I can see some of them, but I want you to outline them.

Mr David Martin: The Fair Share model took the whole province divided into 16 planning areas. This was the federal model which we continued to use as part of the new program starting in 1985-86.

It looked at some very large indicators: Core need, which is a national index of need for affordable housing, was used; the waiting list for public and large non-profit providers, where we have good waiting list information, was used; and turnover in assisted housing portfolio generally in an area was used.

That gave a breakdown, a distribution of what total share for families and seniors and singles housing should be assigned to each of the 16 areas. So greater Toronto was one area. Generally, it was the census metropolitan areas, plus all the rest of a region, that we used in our own administrative purposes. So all of southwestern Ontario, except London and Windsor, was a region. That was the old system.

At the local level, given a total of let's say 2,000 units for southwestern Ontario outside of London or Windsor, then the groups proposed projects of a certain number of units to meet what they felt were their needs. The regional staff would make recommendations, aiming to proposals that matched up to 2,000 units. There was not an objective or very well-stated consistent way of measuring each proposal's need and demand. They all had requirements to prove it in different ways. What the new process does is, it takes what we know collectively about a municipality's or an area's housing needs and current demand and expected future demand and puts a lot more rigour than the old system does into the process. In a sense, we're moving from 16 planning areas to many more than that.

I don't think this first wave is the way we'll see this process working in future allocation waves over the next year and a half or two years under Jobs Ontario Homes. This is the first step. As with all parts of Jobs Ontario Homes, we are redesigning as we go. If there are concerns about the material, about the instructions, about how it takes effect, cost guidelines, MUPs and so on, we will change that as we go, and this is one good example. We do not have enough good information on a number of the municipalities to be able to say: "You are category A. You have proven high need; you have done studies before; there's a great waiting-list for families," for example, those kinds of issues. So the principal difference is a lot better information at the local level. That's really the major difference.

Mr Cordiano: Can I ask how much time is left?

The Vice-Chair: Mr Callahan asked that I notify him when three minutes are left; four are left at this time.

Mr Cordiano: Just in the last minute I have, in the short time that we have to go through this with you I can see that we're going to deal with a lot of detail. I think it would be useful, for me anyway, if at some point you can come back to us with a plan that you have outlining in advance all of these things in writing. Then we can go through it at some future date, because I see we're going to have difficulty in going through some of the details in the two days that we have remaining. So I would just ask that you at some point make that plan available to us in writing so we can examine it and then sit down with you at a future date.

Mr Burns: If I might comment briefly on that, as I said in response to your first question, writing to you in those terms, that is in work-plan terms, about each of the areas of recommendation, is fine, and if it's helpful to the committee, we will do that. As for how you would like to discuss that material, whether it's subject-by-subject today or whether it's having had a chance to read a communication from us in another format, as far as I'm concerned that's essentially in your hands. Our position is that we should give you the material you

need to understand the issues from our point of view and to have a chance to talk to us about it. As far as I'm concerned, you can consider whatever format you feel is appropriate to your own discussions.

Mr Robert V. Callahan (Brampton South): I'd like to take you back to July 20 in the standing committee on estimates. You were asked about three backlogs that existed. They were backlogs dealing with operating budgets, financial statements and final capital costs for construction. Mr Burns, you told us you hoped to have all of these things cleared up by Labour Day. Have you cleared them up by Labour Day, and if not, how far behind are you?

Mr Burns: We have made substantial progress, but we have not totally cleared the backlog. Mr Schafft has our current status with him and our current plan.

Mr Callahan: I only have a few seconds, so rather than have him read that, I want to know whether or not in the central region you're still at 640 outstanding operating budgets. Are you? How many are you at?

Mr Peter Schafft: Right now, from the backlog we're at 74 for the operating budgets.

Mr Callahan: In total in the province or for central region?

Mr Schafft: For central region, 74. Sorry, 28. I'm sorry; I'm looking at the wrong number. It's 28.

Mr Callahan: If an operating budget is not filed appropriately and on time, do you just give them the same amount of money they had the year before?

Mr Schafft: Basically, what you're doing is using the original budgets that were developed during the development process. You're analyzing those, and you're paying on that and making any particular adjustments.

Mr Callahan: So the answer is yes, you give them the same amount they had the year before.

Mr Schafft: Not necessarily.

Mr Callahan: I'm sorry, I don't understand that. If they haven't filed an operating budget, how can you give them any more or any less than they got the year before?

Mr Schafft: There is a base that you set. You work on that base and make some adjustments to that base depending on whatever situation is going on.

Mr Callahan: So you're giving money out that you have no idea whether or not it's warranted, then, I would suggest.

1040

Mr Schafft: Oh, we certainly do, based on the initial review and all the materials and the base.

Mr Callahan: Well, if you haven't got a financial statement and you haven't got an operating budget, how in the world can you possibly decide what kind of money to give to that group for the ensuing year?

Mr Schafft: Based on the knowledge and the wealth of information based on standards of what you know are legitimate budgets and based on the review process you've gone through with a group in developing initially a project, one of the first budgets they do, through what we call the 1414 form, is an analysis of the needs required for that particular non-profit, which includes the mortgage costs, those sorts of things. As you may realize, the largest component of a non-profit budget is the mortgage payments. The others are minimal. So you have established a base and you obviously, I agree, can't do financial statements until you do have an approved budget.

Mr Callahan: Okay. You've had six—

The Vice-Chair: Mr Callahan, your time is up.

Mrs Margaret Marland (Mississauga South): You can add five minutes now to each of us. I don't mind.

The Vice-Chair: If it's agreeable, we'll add five minutes to each caucus. Okay. Proceed, Mr Callahan.

Mr Callahan: As of the time of the auditor's investigation, there were 640 outstanding operating budgets that had not yet been provided, and around the province there was a total of 707. So it sounds like you've put some effort to try to clean those up.

What's happening now as you introduce new non-profit housing? Are you immediately demanding an operating budget from them, or are they falling behind again?

Mr Schafft: No. What we're trying to do—obviously, at the same time you're trying to start on track.

Mr Callahan: You're doing that? I'm not—

Mr Schafft: Yes, we are.

Mr Callahan: So there are none outstanding—

Mr Schafft: There will always be some that are outstanding, but the starting point—

Mr Callahan: How many?

Mr Schafft: I can't—the starting point being the 1414 creating a first-year budget because there are two budgets. There's a first-year budget and there's an actual establishing of a base budget which comes after the fact. When you're going through the development process now on the 1414s when the projects are committed, that is the budget. We are now using that as the base for the funding for subsequent years.

Mr Callahan: What's the longest time frame that you're allowing for a group to get an operating—I just don't want to see another 640. If the auditor hadn't brought this to your attention, with all due respect, nothing would have happened. You're now cleaning it up, but we want to keep you on current track because, in my view, if you haven't got an operating budget you don't know what you're paying these people. We saw with the Jobs Ontario situation where you paid all sorts

of money out to people and it got zipped. I'm not suggesting they would zip it, but I would like—

Mr Jim Wiseman (Durham West): That didn't happen; that's not accurate.

Mr Callahan: —I would like to know that we have operating budgets, that we're paying these people appropriately, not less than they require, not more than they require, because the province is in very deep financial problems.

Can you tell us, what's the longest time span between the time of approving or having it on the ground and requiring an operating budget from a non-profit figure?

Mr Schafft: Part of the process is to provide an operating budget to the regional office. That's part of the ongoing process. If there are any right on track at the moment, I don't have that number for you.

Mr Callahan: Just finally, because I'm probably out of time, on page 13 under—

Mrs Marland: You are out of time.

Mr Callahan: Am I out of time?

The Vice-Chair: No, you're not.

Mr Callahan: On page 13 under item 14, you responded to the question that we put to you about developing a computerized database to track market construction prices accepted by developers across the province. Are you with me at page 12 and 13 of the letter of September 7? Are you there?

Mr Schafft: Yes.

Mr Callahan: In your answer you indicated to us—actually the auditor had noted, "the southern region's success in negotiating competitive prices with the assistance"—this is your answer, I guess—"of a computerized database to track market construction prices. Competitive pricing through a computerized database was used to file market construction prices accepted by developers which contributed to competitive pricing and procurement practices in the southern region," and so on.

You've indicated, "The ministry supports this recommendation. The ministry has implemented a computerized data system in one region..." What region is that? Is that the southern region?

Mr Schafft: Basically, it is the southern region.

Mr Callahan: So you haven't done any more from the time the auditor brought it to your attention?

Mr Schafft: No, we have. One of the things is the auditor certainly saw that particular system in southern region. With the changes to some of the programs, with the requirements, obviously, of looking and identifying other issues through public accounts, we are in the process of—one, we've gone through a number of reviews of that system to see if there's other enhancements required. Some of the regions, including central, southwestern and eastern, have taken parts of that system so far and implemented it, but we do have a process under way for some modifications to that system with full implementation. That does not say we don't have another system in place. You may or may not be aware that there is another system of information available.

Mr Callahan: Would you undertake to give us a written explanation of what else you've done besides the southern region?

Mr Schafft: Sure.

Mrs Marland: I'd like to move to another subject, Mr Burns. It's an example of something that is going wrong in your program, in my humble opinion. I'm referring to an article that was in the Toronto Star written by Frank Jones on September 2, 1993. In this article, Frank Jones is talking about the Robert Cooke Co-op, which is part of the redevelopment of the Goodyear site.

I think it's really interesting to look at the redevelopment of the Goodyear site. I say good luck to the city of Etobicoke and the member for that riding, which is the Health minister, Ruth Grier, because in the redevelopment of that site we have, it seems, exclusively non-profit housing projects and co-ops. It's interesting when the government talks about how regressive our government was in ghettoizing people with the old Ontario Housing Corp model.

In any case, as the critic for people with disabilities, I'm very concerned about the Robert Cooke Co-op in Etobicoke. Apparently, there were 15 units set aside for developmentally disabled adults and I understand the Ministry of Community and Social Services agreed to fund this project at $200,000 a year and perhaps $185,000 in future years for the attendant care that is required by these developmentally disabled adults.

We're told that if the Ministry of Housing doesn't receive the Comsoc funding by September 15, some of these units which were meant for these developmentally disabled people will become market rent units. Frankly, I think that would be very tragic because Robert Cooke, for whom the project is named, was a developmentally disabled person who was beaten to death in an Etobicoke shopping mall in 1979. I'd like to know what the status is of this funding for this particular project.

I must say there's an irony here, because personally I find it heartbreaking that a situation like this can occur when we're subsidizing people in market rent units, people who could afford private sector housing. There's no question that people in the market rent units of co-ops are being subsidized. In fact, we have two members of our government in Ontario who live in co-ops, who are subsidized. They earn in excess of $75,000 and they live in co-ops.

Mr Larry O'Connor (Durham-York): They aren't subsidized.

Mrs Marland: Every person who lives in a co-op is subsidized. I'm not going to open that debate, but at another time I'd be happy to take that debate on with any member of the government. If you don't know how co-ops are built, then you don't understand how they're subsidized.

Anyway, I think the point is that we're wondering again, as we are always wondering in our party, about why we subsidize bricks and mortar rather than helping people.

I would like to know, in the situation of this Robert Cooke Co-op in Etobicoke, what is going to happen. Is there a deadline for September 15 and is Comsoc going to come through with the money that's needed to house these developmentally disabled adults?

1050

Mr Burns: Mrs Marland, while I'm aware of the situation that you've alluded to, I don't have right this minute the answer to your specific question. I've just asked for a call to be made back to the ministry and as soon as I have that answer we'll advise you. If that's during this meeting, we'll do that. If it's this afternoon, we will call your office and advise you.

Mrs Marland: We're not sitting this afternoon, unfortunately, but I would appreciate the answer as quickly as we can have it.

Mr Burns: We will be meeting again on Monday.

Mrs Marland: All right. Thank you. I'd like to ask a question about taxes. There has been some discussion about the fact that non-profit projects, by virtue of the fact that they are non-profit organizations, are not required to pay property taxes. Can you answer that question?

Mr Burns: Yes. The general situation is that non-profit and cooperative housing projects pay property taxes within a community on the same basis as other rental property. However, that's the generality. There are a few cases where the housing is run by a charitable organization and that charitable organization has convinced a municipality that it is charitable within the meaning of the Assessment Act and has been given the forgiveness that's permitted under that act to charitable organizations. There are very few of those, in my experience. Essentially, non-profits and cooperatives pay property tax the same way as rental properties do.

Mrs Marland: Yes, but it's interesting that you say the municipalities are being charitable, because the assessment of properties for the purposes of property taxation is a provincial responsibility. The further question that your answer requires is, are you saying that the charitable organizations that run these particular—

Mr Wiseman: It's always been in conjunction with the municipalities. They ask the province to do it.

Mr Tilson: The province makes the decision.

Mrs Marland: Excuse me.

Mr Wiseman: You haven't got it right.

Mrs Marland: The charitable organizations that you have cited as an example that are exempt from property taxes, can you tell this committee whether those organizations have market rent units or are they all subsidized accommodation?

Mr Burns: No, I can't advise the committee of that right now, but I'm certainly prepared to try and answer the question. I can't do it right this minute.

Mrs Marland: Okay. Then that's another question we'll look forward to getting the answer on, because I think it's important to know whether—I would like to know which projects are not paying property taxes and I would like to know which units within those projects are market rents and not rent-geared-to-income units. If we've got people paying market rent in our non-profit housing program and are not paying property taxes, that would be totally unjust to the rest of the population in this province who pay very heavy property taxes.

Another question I'd like to ask you about is the ownership of non-profit housing. Is it correct, because this has also been my understanding.

The Vice-Chair: Mrs Marland, I'm sorry to interrupt, but yesterday our committee had a fairly full discussion on the fact that our meeting this morning was to be limited to the recommendations of the committee regarding the auditor's report and the ministry's response. I've been trying to allow some leeway, but this is the third area you've gone into which has not been contained in the auditor's report.

Mrs Marland: I don't think we discussed limiting the discussion, Madam Chair, and the report of this committee in general, overall, if I wasn't using up my valuable time now, I'm sure there are sections in that report that I could tie into the overall operation of non-profit housing in this province and that's specifically what I'm dealing with right now.

When we're looking at the subject of non-profit housing, either from your perspective as the deputy minister or our perspective as the Progressive Conservative caucus, which has a great deal of concern about who gets the profit out of non-profit housing, I want to look at the government-guaranteed mortgages. It's my understanding that after these have been paid for, generally perhaps 35 years, and after that massive subsidy, obviously, by the provincial government; namely, the taxpayers of this province, the buildings will be owned by the sponsoring organizations.

What I'd like to know is, first of all, is that true, that the sponsoring organizations will own those buildings after the government and the taxpayers have paid for them, and if that's the case, what will the province do to ensure that the affordable housing remains affordable and accessible to anyone who is eligible in the provin-

cial perspective, not only in the perspective of the sponsoring organization?

Mr Burns: This is a subject we did discuss to some degree in March as well. The answer to the first part of your question is that the projects are owned and presumably in the future would be owned by the corporations that erect and operate them. They're not owned by the province or the federal government, where they fund them, or any other body than the sponsoring bodies.

Secondly, the question of what happens in the future, there are really two parts to that. The one we discussed in March was the one that has to do with the possibility of a future sale of property that was supported in the way that we support projects. Most sponsors have restrictions in their incorporation related to sales, and we have made an explicit restriction, a requirement, under the current program, the materials that I distributed to you. The charter of incorporation papers now say that you can't wind it up and retain the proceeds. They have to be applied to non-profit housing or to an appropriate charitable purpose, in my memory. Is that right?

Interjection: That's right.

Mr Burns: That has to do with windup.

The question of future operations, looking at a situation where someone had retired the mortgage, if the non-profit still had an operating agreement with us in order to provide support for households that needed help still on a rent-geared-to-income basis, then access would be ensured through that contractual arrangement. It would have some similarities to the contractual arrangements we have with private landlords now under the rent supplement program.

However, it's possible that a sponsor would not want to continue any of those kinds of arrangements, in which case they would continue to operate within their charter provisions. The charter provisions lay out that the sponsoring organizations are in the business of providing affordable rental housing. That is their object, and like any corporation, they have to adhere to the objects of their incorporation.

Mrs Marland: But I don't think you've addressed the question about, how are you going to guarantee that the people who are eligible to get into those buildings will be guaranteed and how the selection—I mean, we know how the selection is done today, and we also know that there's certainly a direct hold on those organizations to fulfil that. I'm simply saying that if the taxpayers have paid for these buildings, and really, essentially, those buildings were built according to the program, then there has to be a guarantee about who's going to live in them.

Mr Burns: As I just indicated, where they're still bound by contract to us to provide rent-geared-to-income housing, they would be bound by whatever access provisions we have for those households, and that's not just for provincially sponsored housing but for federal-provincial housing that's also sponsored by the federal government. If they're not bound by contract to us for other units, what we might call market units, they would be bound only by their charter. But their charters or their articles of incorporation do bind them to the object of providing affordable rental housing.

1100

Mrs Marland: Yes, it binds them to the object of it, but I'm asking you whether you're going to supervise how they continue to achieve that, and I don't think you've answered that question.

I think earlier this year, while we were in the process of preparing the report that was compiled and referred to you, I asked you a question about the problem of reserve funds for both non-profit housing and co-ops. We're certainly aware of the tremendous problem that a very large number of co-ops are in due to the position, and most of these co-ops are CMHC co-ops.

What is concerning me is that, as part of your 1992 fiscal strategy, you put a two-year moratorium on replacement reserves. I certainly am aware that in Peel that has caused a great deal of difficulty. In fact, to put a moratorium on those reserve funds, which obviously are established for emergencies and repairs, is a very dangerous thing in terms of the maintenance, perhaps in some cases the actual safety of the operation of those buildings.

For us, it's a tremendous concern that Peel Non-Profit Housing Corp, which was the first corporation in this business—they are the largest non-profit housing corporation in Canada and they have more experience than anybody else—delayed approving their 1993 budget this year because they appealed to the Minister of Housing about their concern and the fact that they were worried about their ability to finance the future maintenance of their 45 buildings.

I think it's worth noting that there's an irony here, and I dare call it a hypocrisy, on the part of the government that would cap contributions on reserve funds for government-funded housing and yet criticize the private sector landlords for inadequate maintenance, even though rent control legislation doesn't permit the private landlords to pass on the majority of necessary maintenance costs.

So we certainly have a very interesting situation here. In fact, as far as I'm concerned, it's very serious, and I'm wondering what conclusion the ministry is arriving at with regard to financing of these reserve fund contributions. Also, could you tell us whether the provincially subsidized co-ops, as opposed to CMHCs, are in the same difficulty as those co-ops that are subsidized by CMHC? I'm talking about 50 to 60, apparently, that are in very serious trouble.

Mr Burns: I'll touch for a minute on the second part of your question. The federal government for a number of years ran a program of support for co-operative housing across Canada which was tied to a particular financing mechanism called an index-linked mortgage, whose acronym is ILM. ILM program cooperatives, particularly in southern Ontario but to some degree across the whole country, have gotten into some significant financial difficulty and the CMHC and the co-op housing organizations, both individually and in the trade associations, have been trying to work their way out of that. I think a significant part of that difficulty is rooted in the design of the program itself. We don't have a universe of cooperative housing projects facing the same difficulty that's arisen in that program.

In relation to your broader discussion of replacement reserves, this is a very important question, I agree with you completely on that, and we did discuss it for a period of time at our meeting in March. I indicated then and I'll confirm now that the moratorium was a two-year moratorium and our budget plan anticipates restoration of 90% of the funding envelope beginning next year. So let me just say again today that that's still our budget plan, as it was in March.

Mrs Marland: Does that mean it's retroactive?

Mr Burns: No, it's restoration from next year forward, not retroactive.

Mrs Marland: So next year you're going to give them 90%.

Mr Burns: No, I said the funding envelope will be 90%, because—

Mrs Marland: What does that mean?

Mr Burns: I think I said this in March, but I think it's worth repeating again. Historically, the guideline for how much should be placed in our replacement reserve for a particular project was a percentage of the capital cost of that project, irrespective of whether it was new construction or rehabilitation, irrespective of whether there was a high land component or a low one, irrespective of whether it was wooden construction or poured concrete with an elevator. What we are doing this fall, in cooperation with the Ontario Non-Profit Housing Association, of which Mr Maloney, the commissioner in Peel, is the president, and the co-operative housing association, is looking at whether or not there's a better way of defining what's an appropriate amount to place in a reserve for particular types of projects. That's one side of it.

The other side is, we've had very restrictive rules for people like Peel Non-Profit on how they could manage and apply those funds. For example, you said that Peel Non-Profit has 45 buildings. We actually require them at the moment to maintain 45 separate funds and to invest them in the most conservative possible way, and bankers acceptance are very low-interest-bearing accounts. We're also interested in looking at whether those things would be better administered if we allowed an organization like Peel to pool them, to invest them somewhat differently and to earn a better rate of return on them.

We believe that through a more sophisticated assessment of need for replacement reserves and a more sophisticated approach to management of the funds, we can maintain or even enhance the amount of protection that those funds give to the buildings with somewhat less money. So that's our objective.

I should also say that last year and again this year we have maintained in the non-profit program a contingency fund, and any operator, any provider, who reached a crisis that would normally have been handled by reaching into their replacement reserve can approach the ministry. For example, for someone in the early going who has very little in a replacement reserve but has a total collapse of an elevator system, we have been prepared to support those out of our contingency funds. So we have maintained some protection over the two-year period.

I want to finish by confirming again what I said at the beginning, and your comment, this is a very important part of the program funding and an important part of maintaining the long-term integrity of these buildings and these organizations and we acknowledge that.

The Vice-Chair: Mr Tilson has the last five minutes of the Conservative time.

Mr Tilson: I would like you to turn to the first item on the paper prepared by Mr McLellan, which lists the series of concerns the public accounts committee has and the ministry's response to documents. It's dated September 7. The first item has to do with a couple of issues, but the one that I'd like to direct your attention to is determining the greatest need of the allocation areas, which I think was dealt with to some degree earlier with the document in this package that you've prepared for us, which you indicated was published in May.

You indicate of course that you have a concern with the monitoring of the market conditions, as does the public accounts committee. As we indicated in March, this is one of the concerns, and it's still a concern of this committee, particularly when we understand that you don't even call CMHC to determine housing levels. You can correct me if I'm wrong, but that's an understanding that I have.

I'd like you to clarify somewhat the schedule A you've prepared, or this document. I don't even know what to call it, really, but it lists areas of high need, medium need, low need. This morning is the first time I've had an opportunity to look at this. That's been one of the concerns that I have experienced personally and which members of this committee have experienced

personally, that there are areas where non-profit housing is being constructed and yet private enterprise is coming to us as constituents and telling us that there are vacancies, that the government has essentially gone into competition with private enterprise, aside from the fact that non-profit housing can't even keep up with the need of the poor because of the long waiting lists to get into that.

1110

I can tell you that this has happened to me personally, specifically in my riding of Dufferin-Peel and specifically in two areas. One is Orangeville, which is on a high need. I have had landlords who have come to me and have said to me, "We have vacancies." I have also had poor people come to me and say: "We're on a waiting list. Who knows when we're going to be heard?" You're not going to get into Orangeville. We're going to have to ship you up to Shelburne, because that's the only place that we can send you to. On the other hand, I have landlords in Shelburne who are coming to me and saying, "We've got all these vacancies because we're being undercut."

I then turn to other areas. That is a central region and, as I say, I haven't had a chance to study this in detail, but I do know there is an area in northwestern Ontario, the area of Thunder Bay, which is on a high need. Yet I look in the Thunder Bay Chronicle of August 20, where it indicates that city council has agreed to a moratorium on the construction of subsidized housing because there's a glut. I hear similar comments from Kitchener. I don't have a newspaper clipping, but I understand there's a glut in Kitchener, and if I turn to the southern region, they're on medium need.

So these columns of high need, medium need and low need—it may well be, sir, that I just haven't had a chance to properly understand the documents that you prepared, but I can tell you, particularly when I look at Thunder Bay, you say, according to this document, that there's a high need for non-profit housing in this area, but city council has agreed to a moratorium on the construction of subsidized housing.

Of course, the government then comes through and says, well, the money that Thunder Bay—I'm quoting from the article of the Thunder Bay Chronicle of August 20 that the money that Thunder Bay didn't take would simply go to some other city's non-profit housing board.

I guess I have the same concern, sir, that I had in March. How do you determine where in the world we're going to put up these non-profit housings when we're having all of these communities all over the province saying, "We don't need them"?

Mr Wiseman: That's not what they're saying in Durham.

The Vice-Chair: Deputy, if you could keep your answer relatively short, we are actually out of time for the Conservative caucus.

Mr Burns: The question of looking in more depth into the method I'll leave aside till Mr Tilson has a bit of a chance to look at it. Either in this forum or separately, I would be happy to give you a better picture of that. So I'll just leave that aside.

We do use CMHC materials and we do talk to them regularly about their data both at the regional office level and nationally. But as I indicated in March, what we were designing was a made-in-Ontario way of looking at our housing need and making decisions. So this one is not a joint design and administration with CMHC, which the earlier system was. That may explain why, if you ask CMHC whether they are asked about every bit of this, they might say no, with a question framed in that fashion. But we do use and rely on their data as fundamentally important to understanding what's going on in individual housing markets.

As we discussed in March, and you're absolutely right, there is a debate in some communities in this province about the amount of rental housing vacancy, its nature, its distribution and its price. It is in order to get at the meaning of that that we've insisted that people prepare a different kind of assessment of their market conditions and how they would fit in than we did in the past.

Mr Tilson: Who is doing that?

Mr Burns: We require proponents to assess their local market conditions on the basis of what are real local markets, not the very large planning regions we used to with the feds.

Mr Tilson: You mean the developers do that? Is that who does it?

Mr Burns: Who actually does it will of course vary by the nature of the community proponent and the scale of the project.

Ms Margaret H. Harrington (Niagara Falls): Certainly, the last point raised is something that I think has to be discussed and clarified for all of the people of Ontario. I hope that we do have a chance to go into that in more detail. I do want to look at a few other things first.

First of all, I would thank you, Mr Burns, for saying, certainly, that the auditor's report is helpful. I think this is a very good approach. I know this goes along very much with the direction that the ministry has been going in for the past two years, certainly with the report Consultation Counts, getting right at the heart of what we are trying to do with non-profit housing and making sure that it helps everyone in this province in the most efficient way possible.

I think it's also fair and almost non-partisan to say that this ministry was faced with rectifying many

procedures and loose ends in processes that were left from the previous administration. It's certainly no fault of the staff.

Mr Tilson: Don't blame these guys. You were the ones who made it worse.

Ms Harrington: You have said clearly that you are doing more with less. Cutting $132 million this year clearly proves that. We have to be efficient.

Now, I also wanted to mention that Mrs Marland talked about the Robert Cooke Co-op in Etobicoke. I did want to assure you that this particular question of moving in immediately and also the broader question of supportive housing across this province is of key importance to our ministry. We want to make sure that it works, and I know the minister at this particular time is trying to assure that will go ahead: not just this one project, but in the process we have to look at the broader scope as well.

There are several areas that I wanted to get to. I think the most important, if I recall correctly from last March in our deliberations and from the auditor's point of view, was, how do we compare the cost-efficiency of what the ministry is doing with what has been done in the past? How do we do it in a manner that is fair?

You've addressed this in recommendation 3, which is on page 3. You talk about a comparative model, or at least the committee here has asked the ministry to develop a comparative model of non-profit programs "to compare the completed projects and those in the development phase on a consistent basis and to report on cost-effectiveness on an ongoing basis." The auditor found this very difficult, and I think this is where have we had the most problems this year and in the past. I'm asking you if you could explain a bit more: How are we going to have a comparative model that will work?

Mr Burns: Mrs Harrington, this was touched on a little bit earlier on and Peter Schafft did talk a little bit about the pieces. I think we should give a fuller explanation of that, and I'll ask him to do that in a minute.

But I think I should also say that good tracking of costs in the marketplace in our program is one side of being effective in managing capital funding. The other side is what we called, in the March discussions, capital cost controls; that is, how we regulate how much capital cost is appropriate to a project.

In our world, that's been regulated by something called the maximum unit price for years, which is essentially a federally designed capital cost control system which we had felt was less than fully adequate. We had wanted to use what we think is a subtler and more effective system in Ontario. We tried to convince the federal government to join us, which it hasn't done yet, but we have made some revisions to our capital cost control system on that side as well. The two things combined—that is, being better informed and, secondly, having a more effective capital cost control system—are fundamentally important to the program's producing competitive, effective, appropriate capital costs.

I'd like to ask Mr Schafft to touch on both sides of that, because I think they're both important to the general points you made at the beginning of ensuring the effective use of all our capital funding arrangements.

Mr Schafft: Basically, what the auditor did look at previously were some of the systems or lack of systems that we did have. What we have within the ministry are pieces of building blocks that we're putting together. Some we have and some are still under development.

1120

One of the basic building blocks we do have is called the non-profit tracking system. That is a system that is located basically at the local level, at the local regional offices. That piece basically tracks all the basic what I'll call tombstone data: all the information about projects—the names, the sponsors. It also has projected dates of completion, interest adjustment dates and some other factors. So what we are using now is using that as a centrepiece or the first component of a building block, so that when a project originally comes in, an application comes in, it gets recorded into that system. You know where it is. You know the sponsors, all that material. So you have that.

The next step begins in the development phase. One of the prime documents, or "the" document, and there's reference made to this document, is 1414. That's really the document by which we analyse all the financial information that is provided by the particular group to the ministry to analyse. That 1414 contains information such as land costs, construction costs, other soft costs—architectural fees etc. There was a reference made to this earlier. The 1414 system is a system that was originally developed within the southern region.

So the 1414 system is a system that we're doing some modifications to, and it is an adjunct to the non-profit system. It will now allow a regional office to do comparisons, to extract information on different land costs: what prices have been negotiated, what is going on with other non-profits on a comparative basis. There will also then be the ability—and some regions obviously border one another—that you can look at some comparative data as well.

The other component of a 1414 makes reference to what's going on in the private sector. There is a system out called Marshall and Swift, and it is a system that appraisers use not only in the public service but also in the private sector. It gives you analysis of average costs for products, materials etc. That again is an item used by the regional offices for gaining information of what's going on in the marketplace, what are average prices.

So we have the 1414—that is, the development phase—and you can get all kinds of data out of that and

do comparisons that will ultimately have all the capital costs information. That's prior to, obviously, the final capital cost.

The next building block is basically what we call the budget subsystem. The budget subsystem is one where once the budgets are in, they've been approved, you can start focusing in on norms and standards, what are average costs. You can do comparative values between different groups, different sizes of buildings to see if there is something out of standard. You can look at it on an exception basis, so you have some controlling and monitoring ability to look at exceptions. Right now, in many cases, it was done manually. We can computerize it so you can extract exceptions. As a result of that also is looking at norms and standards and being able to adjust what the norms and standards for costs are.

Ms Harrington: So these are for operating?

Mr Schafft: These are operating. So that's the second phase. That system, the budget system, will be in place within the next few months. It is in the test phase; it's being used in some regions. We're well into that one.

Ms Harrington: I think the bottom line that I would like to know, since I certainly don't know all the technical details, is, would you and the auditor then agree that you have a workable model? Maybe I'll get to ask the auditor that on Monday. Have you come to a point where he can work with you to assess the ministry and what it's doing?

Mr Schafft: I haven't had any direct recent discussions, but I think the basis of the requirements for the auditor was one of having a base of information so that you can do some determination, and once you have that information, then you can work on looking at what objects we want to look at as far as a model.

Ms Harrington: That is in fact what you're telling me you do have.

Mr Schafft: That's what we're working on, so that we have those base figures and access.

Ms Harrington: I hope to get one more question in here, and that is I think something important to me in my riding and probably everywhere. It's tenant placement. Certainly all of us probably get phone calls as to, "How do I get into housing that is adequate for me?"

I believe it must be a common access process everywhere. Maybe it hasn't been in the past. It has to be non-discriminatory. I know we've just been dealing with another bill this week about employment equity so that people are not discriminated against in employment, but hopefully people will not be discriminated against in housing in any way and there will be a common access. Could you tell me, is the process changing, and what stage are we at now?

Mr Burns: This subject was also discussed at our meetings in March.

Ms Harrington: And it's actually on page 11, yes.

Mr Burns: I indicated at that time that the policy objective of improving access in the way you've described was laid out in Consultation Counts, which was published last fall, and that we were now looking at the specifics.

What's happened since March is that we have prepared a consultation document on how to have a common access system that people can understand and access in a simple way and that operates in an equitable manner and we have taken that paper around the province and had quite a lot of discussions with the wide variety of people who are involved in the housing world all over the province. That consultation process is completed and we're now at the stage of doing the detailed design of the access system that we will want to see developed over the next period of time.

I should say in addition to that, parallel to that, in a number of communities there have been some quite interesting early attempts to bring non-profit cooperative housing providers together and provide better access on a joint basis. In particular I'd point to Hamilton, where quite a few people have come together to try and provide much better and more equitable—in the sense that you suggested—access in that particular community.

Over the course of the next year you will see that move from articulation of an objective and a consultation document and discussion to a real design and development process in the field.

Ms Harrington: Just to clarify on that point, I know Hamilton has a registry that is being set up as a pilot project to see what its costs are and what its effectiveness is, and I know probably this cannot be done across the province, but what we need to do, and very quickly, is have a process across the whole province that is the same and that provides people with the one-stop shopping, the openness, being able to look, say, in a telephone book to see a whole list of the housing availabilities.

Mr Burns: In our consultation paper we suggested there were certain minimum conditions that have to be met everywhere. That included some way of reading a telephone book that gave you access to the actual operating organizations. I think what you'll find is that certain basic elements and approaches will be universal but that the way it's organized and delivered may vary from community to community. Some communities have 100 providers and some have a dozen, and some have an established cooperative practice now and others don't. So the institutional framework, if I could put it that way, will likely show some variation, but within that there will be some basic common practice to get at the objective you've raised.

Mr O'Connor: I want to thank you for coming

today. The report that we're working towards and the appraisal of what's happening so far of course is important to all the members of the Legislature as we try to get more for our dollar and spend a little bit less money or at least limit the amount of money that we're spending and it's a very difficult process.

At the same time, when we talk about housing and housing needs, we have a lot of people, mostly volunteers, doing a lot of hard work in our ridings doing a number of projects. I can think of three off the top of my head. There's the Lions Club in Pefferlaw working at an extension on Rixson Manor, there's a group working in Jacksons Point at a proposal there and as well one up in Keswick. All these people would like to see their project, of course, come out first.

1130

When I take a look then at a recommendation that we have looked at, recommendation 5, achieving the best possible value for money that we can in appraising these—I thank you for the packages you handed out earlier, because it will make it easier for these volunteer groups to put together proposals in the future, so I appreciate that—at the same time, what we as committee members are concerned about of course is the value for money and is the appropriateness going to happen. In your response that we did receive from you in July—we appreciate that—you talked about some review taking place and what not. I just thought I'd like to give you this opportunity to expand on that a little bit more, because from a local perspective, as my colleague Margaret Harrington said, there's always a need for access to housing and I guess we're one of the first places people go to when they can't find a place to go to. At the same time, we're one of the first people they come to see when they've got a proposal from the community coming forward to provide some housing. What we're concerned about as committee members is value for money here and providing this very necessary human need.

Mr Burns: I think I should respond to your remarks and question in two parts. In the assessment or appraisal of a project's value or merit in its broadest sense when it first comes to the door, we have tried very hard in this program to be clear about what our objectives were and how we would evaluate the merit in the first instance of a sponsoring group and in the second instance of a particular development. You'll see in the materials in front of you that we've tried to define those things. In the past, I think the method that was used to do an evaluation of proposals in the first instance was not well understood by people who wanted to sponsor housing.

Within that, at the time you're looking at a particular development proposal and its dollar capital costs, one of the things you have to do is an appraisal of the value of the land. Recommendation 5 speaks to the methodology used in appraisals of land value and to a particular methodology and how we accommodate highest and best use, which is a planning principle in assessing the value of land. We had quite a discussion about this in March, and I said in part of that discussion that we were reassessing our practice, we were going to get some external advice, we were going to relook at how it was done and after that to run a bit of a training program, because I also said that our field staff had varying amounts of expertise or training in the use of this particular method or in understanding material that might be submitted by an appraiser. I also said that this kind of work is also done in what was then the Ministry of Government Services and is now Management Board secretariat when they look at real estate transactions.

We have made progress on the subject and have done the things that we talked about in March. I'd like to ask Mr Schafft to talk a little bit about the specifics of what's happened since March and where we are today.

Mr Schafft: One of the major things, of course, under the new program is the different phases of the development process. What in fact we have done is split or separate the differences between a group coming in and land they may have. So the evaluation process initially deals with a group having a concept of wanting to deal with a particular client group. The land aspect becomes a secondary issue once in fact they have—I'll call it an allocation or in that first phase at the moment.

What we are doing in the meantime of looking at how in fact you assess some of those costs and the values of land: The highest and best use is a principle that is still in effect. It is used throughout the industry, certainly not only in the public sector but in the private sector, so that is still very much there.

However, what we do need and what is absolutely imperative—again, we talked about it earlier—is the knowledge of what is land value and what is a reasonable cost to pay and what is going on in the marketplace.

One of the things that we've talked about also is having the ministry having knowledge and information and being able to retain that information as to what is going on in communities, but we're also now putting back—I'll call it the burden of proof in many cases on the groups that they also have to come in and show us what those costs are and in fact they are reasonable. We then again reassess those as reasonableness. So in that area of the appraisals we are also working on overall guidelines so that in fact all our appraisers do know and have the appropriate tools to evaluate, and part of that goes back into systems development as far as having the information available to do those proper assessments.

Mr Wiseman: I'd like to make a comment first and then I have about 10 questions. I probably won't get to them all.

My understanding of the assessment process is that the municipality asks for an assessment review by the province and the province then participates and does the assessment review, charging the cost of that to the municipality. If the municipality doesn't like the results of the assessment review or if the client or if the inhabitant, the resident, doesn't like it, they have recourse to go to the Ontario Municipal Board. I just wanted to clarify that for the audience to think that somehow or other some groups of people out there are able to get around the assessment process.

Mr Burns: The process you've described I think covers a situation where a group that owned a project felt that their property tax level was unfair and wanted to appeal it. There are other parts of the act, though, that define certain institutions as being exempt from property tax, or the municipality can by bylaw exempt them. The second process was the process that Mrs Marland and I were discussing before.

From my time in a city hall, I'm aware that every year one or two organizations in a place as big as Toronto ask council for a charitable exemption. I'm also aware that in our system there are—and I don't know how many, but there's certainly a few—housing sponsors who have convinced their local municipality that they are charitable within the meaning of the act and gotten an exemption. Mrs Marland asked for that and I'll provide it if we can.

In my experience, that process of being defined as a charitable organization exempt from property tax is either a matter of obvious definition or a matter of municipal council decision and not a matter of decision by the assessment review process. That process has to do with whether the absolute level of tax is fair or not in exactly the way you described it.

Mr Wiseman: My next question has to do with the mortgages of non-profit and cooperative housing. According to the auditor's report, some of these mortgages can be 20-year interest-only mortgages issued from funds borrowed from the Canadian pension plan or they can be 35-year mortgages with private sector lenders guaranteed by the province. How many of those types of mortgages are out there now? When will they start to be retired and when will these costs to the co-ops and to the non-profit houses be retired? When will this start?

Mr Burns: I think within the non-profit and cooperative sector the mortgage terms are generally 35 years. Some of them are higher, 40, 45—there was a period of time when that was the norm—and some are lower. When you're dealing with a purchase and rehabilitation of an existing property, you may not be quite as confident about the lifespan of the physical structure in its current form.

In this decade, you would only be looking at those cooperatives and non-profits whose financial arrangements were made in the 1960s coming to the end of their financial arrangements, and there are only a handful of those. In the cooperative housing sector, they're mostly student cooperatives. The bulk of the non-profit and cooperative housing in this province was built and therefore financed in the period of time between 1975 and the present. So the time when the financing arrangements we've been discussing before would end and some new world would arise will largely begin in the year 2010.

1140

Mr Wiseman: Just on that, what kind of impact has the high-interest-rate policy of the federal government had with respect to adding costs to the operations of these non-profits and co-ops? What kind of impact has that had in refinancing, maybe if they have floating interest rates or whatever?

Mr Tilson: I thought the interest rates were low.

Mr Wiseman: In 1981, the interest rates were 23% for second mortgages.

Mr Anthony Perruzza (Downsview): They're double what they should be. What do you mean they're low?

Mr Tilson: They're down now.

The Vice-Chair: Please. Mr Wiseman has the floor.

Mr Wiseman: Just to give you an idea, in October 1987, inflation was running at 3.2%; the interest rates were 9%. John Crow thought that wasn't good enough, so he jacked them up and shot the dollar to 89.

Mr Tilson: But they were renegotiated at 17%.

Mr Wiseman: There are people who have had to negotiate mortgages at 17% and 18%, thanks to the Tory policies. What impact has this had on costs?

Mr Perruzza: So you're saying to just slip the noose around people and say, "It could be worse," right? Kind of kick the stool out from under then.

The Vice-Chair: If the deputy could keep his response brief. This caucus is out of time.

Mr Burns: Well, Madam Chair, I don't feel particularly qualified to comment on the national monetary policy beyond the views I have as an ordinary citizen of the country. But clearly, the cost of mortgage financing within this program at any period of time is not just a big amount of money; it's a very big concern in terms of managing the program.

What we have done actually over the last number of years is to progressively upgrade the financing process that we use in this program by first creating, three or four years ago, a central borrowing facility that got us much better interest rates, and in the past six or eight months we've been running an aggressive refinancing program and financing program that's bringing us interest rates that are much, much better than we got. That's not just because of the decline in interest rates.

We're getting much, much closer to the basic federal rate than we've ever been before.

Yes, it's a huge part of the cost, and at that point in time in the late 1980s when you had both high construction costs and high interest rates, that created a big financial cost within projects. Those have declined and we're trying to go back to those ones from 1988-89 and aggressively refinance the mortgages that they've got to bring the program cost down.

Mr Wiseman: Can you give me an idea—

The Vice-Chair: I'm sorry, Mr Wiseman. It's actually two minutes over time. Just one point of clarification, because I'd hate to have all the property taxpayers flooding the OMB. If a taxpayer, whether corporate or individual, is unhappy with their property taxes—

Mr Wiseman: The have to go to council first.

The Vice-Chair: No, they actually go to the Assessment Review Board. If they're unhappy with that decision, then they appeal to the Ontario Municipal Board or Divisional Court, just to save the OMB from a further backlog.

Mr Wiseman: It already has a big backlog.

The Vice-Chair: Further backlog, yes. The auditor has some homework for the Ministry of Housing which we hope will be ready at the commencement of our meeting on Monday. Auditor, would you like to give them a list? We do have a written copy of this for members and for the ministry representatives, so you don't have to frantically scramble.

Mr Peters: Thank you very much, Chair. The purpose of these questions is essentially to focus further what is brand-new ground. As you know, the ministry has cooperated in a brand-new process by this committee inasmuch as the committee has made recommendations of its own and the ministry has then responded.

In reviewing the responses that were provided, on general discussion with some of the members, our own view from an audit perspective was that it would be very helpful to further this if the ministry could provide action plans and milestones and target dates for those items where the ministry has either indicated that there's agreement with a recommendation, or where action has been initiated, or where the plans are actually in place but these milestone dates are not indicated, so that the committee could in future develop an accountability process between itself and the ministry to help in this very complex area.

These areas are outlined in the list that you have before you. There are 13. I just wanted to read them quickly into the record. They are: controls over the development costs; market adjustment capacity; highest and best use appraisal value methodology; competitive procurement practices; dealing with development consultants; maximum unit price adjustments; detailed cost analysis and capital cost; operating costs budget norms and standards; tenant placements consistently, equitably and efficiently; tracking market construction prices; central management information system, internal audit practices, budgets and financial statements.

There are three very brief further questions which I'd like to raise and, if the committee agrees, to ask you to answer. When is the completion date for signing the operating agreements? I think that has been raised a number of times. Who is scheduled to review the conflict-of-interest guidelines at the end of 1993-94?

As far as allocations are concerned, I have a brief question that arises from page 13 of the document called Program Overview, item 3, where mention is made that the regional housing programs offices will adjust the regional distribution targets based on the previous selection of proposals as well as on the changing regional, local, economic and market conditions. The specific question I have there is that it might be helpful to know what criteria are being used, or standards, to make these adjustments. At the same time, one area that is not mentioned is how demand is being monitored by the RHPOs.

I think that concludes my questions.

The Vice-Chair: I see a lot of winces out in the audience. I think people see their weekends with their families being shot. But deputy, would you like to comment, not as to the substance about it, but whether you would be able to provide this information for Monday afternoon.

Mr Burns: I said at the outset in response to a very similar question, in general, from yourself that I was quite prepared to provide work plan and action plan information on these items; that they were, in ministry terms, organized somewhat differently, because they're all in different parts of the organization. I'd be happy to do that in writing. The request we got some weeks ago was to comment on the recommendations, period. As you know, we wrote back saying essentially that we thought they were sensible, with very few qualifications.

The question of whether I can provide our action plan and milestones and target dates for every single one of these and the answers to the supplementary questions by noon on Monday is something I cannot answer right this minute. I will consult my staff. We will give you, obviously, everything we have that can be sensibly provided and understood within that time frame.

I think I said also that I thought this kind of format, responding to a draft report, was a perfectly reasonable thing. We can talk about how to discuss it as well in the future. I just forecast this because, for example, our action plan on information technology runs on to a fair number of pages and may not be a very simple thing for the committee to just take a quick look at at noon and understand.

So with those qualifications, I've heard the request of both the committee and the auditor and we'll take our best shot at responding to it.

The Vice-Chair: If you were able to provide them by noon on Monday, I doubt if that would give sufficient time for the clerk to distribute it anyway, so perhaps if you could—

Mr Burns: I'm sorry; 11 or some time.

The Vice-Chair: If that is more difficult, even if you could bring them for the 2 o'clock meeting and have sufficient copies for members. Obviously, if it is ready earlier we would appreciate it, but as much as you can provide would be helpful.

Mr Burns: I don't have, obviously, any problem with that. On the administrative side, for us to do the copies, that's perfectly reasonable.

Mr Cordiano: With regard to that action plan, I would like to receive that plan and I then would like to take some time to review it. I hope it's not the intention of the committee to review that plan on Monday afternoon without first having had an opportunity to examine it in some detail and then come back and look at it at some future date. That's really where I would like to see us move as a direction.

1150

The Vice-Chair: Are you suggesting that we not ask for any documentation for Monday afternoon?

Mr Cordiano: No. I'm suggesting that if the documentation is available, make it available at the earliest possible date. If it's Monday afternoon, that's great. I'm just saying that I personally would not be able to review that at 2 o'clock on Monday afternoon and do justice to any kind of questioning we might have with respect to that plan. I'd like to come back to it, after having had an opportunity to examine it in more detail, at some future date. At least we could get a commitment from the deputy that he'd be prepared to come back and review that with us. In fact, we may be able to prepare some questions for him in advance of his appearance before the committee.

The Vice-Chair: Just before we go to Mrs Marland, might I suggest that, whatever information you do have available, you provide it on Monday afternoon in case there are initial questions. Then the committee may very well decide there is additional information we require at a later date and might wish to elicit that.

Mrs Marland: I would just like to say that I concur with what Joe is saying here. I think there just won't be time to deal with such a serious matter on Monday afternoon. I too will look forward to receiving what has been requested. I would like to see a consensus on the committee that we would invite Mr Burns back again, as Joe has suggested, even if we developed some questions from the committee and then had the deputy appear before the committee. I'm looking for that consensus from the committee. Do we have that?

Mr Wiseman: When would that happen?

Mr Tilson: October, November. Whenever it's convenient for the deputy.

Interjection: Not in this week.

Mr Wiseman: Because we're pretty booked.

The Vice-Chair: No. It would have to happen when the Legislature's back in session, because our time for the remainder of the summer is already booked. We're looking at Health, GO Transit, university accountability and things like that; not that we aren't fascinated with housing, but there seems to be a consensus, judging from the nods, that—

Ms Harrington: I just wanted to say yes, we should have one more day, certainly, to continue this good news story.

Mrs Marland: You really throw out the bait, don't you?

Mr Tilson: That's what you call comic relief.

The Vice-Chair: If members have no further comments, we probably have time for one brief question. I think we'll proceed. I think we'll have time for one brief question and a brief response from each caucus. I'll divide the time evenly.

Mr Cordiano: Very quickly, and perhaps you won't get the chance to answer this, but my colleague wants to ask a question on the waiting lists.

Mr Tim Murphy (St George-St David): There is a thing I get more than anything else in my riding of St George-St David, which has Regent Park, St James Town, a very high public housing, co-operative and non-profit housing component. I get transfer requests in all the time, and there are lots of people on the waiting list as well. What I'm wondering is, do you know what the total waiting lists are for housing? How much of that is made up of transfer requests? How much of it is duplication?

In relation to that, I know the ministry is thinking about a policy of making one waiting list for everybody, and I do have some concerns about that. I'm wondering, do you have that information? Could you provide it to me and the committee?

Mr Burns: I should just reassure you. We're not talking about a policy of one waiting list; we're talking about a common access point. Each individual provider does have a somewhat different approach to things, and we haven't talked about extinguishing that.

The question of transfers is largely a question of the big providers. In your constituency, that would be the Metropolitan Toronto Housing Authority, the Metropolitan Toronto Housing Co, which is seniors, and Cityhome, which are the big ones.

The internal transfer applications are held separately from the external application list. There will be some

households on waiting lists for Cityhome and MTHCL that are now in public housing and wanting to transfer out. I don't think it's a huge number, and I don't know whether we know. In another life, Mr Schafft is also the general manager of the Ontario Housing Corp. I think perhaps separate from this discussion, I'd ask him to phone you or your office and have a bit of a discussion about what we know and what we don't know.

Mr Murphy: I did want to follow up though on the waiting-list-in-total question.

Mr Burns: I was not trying to avoid that question. He can also help with that.

Mr Cordiano: Can I just say that—

The Vice-Chair: I'm sorry, Mr Cordiano. The time has expired.

Mr Cordiano: I'll come back to it on Monday, because I'm interested as well. What constitutes a waiting list and how does that allow you to determine demand?

Mr Tilson: Madam Chair, on all of these questions, the question Mr Murphy raised, all the questions Mrs Marland raised, as a member of this committee I would like to hear the answers in this committee, as opposed to personal telephone calls. We may have to wait until the fall to do that but I'd like to hear that too.

Mr Burns: I understood the question as being more of a general nature about our program and not in the context of the committee. However, if the committee wants the answer here, by all means, we'll do it here.

Mrs Marland: Everything that's asked here should be answered here.

Mr Murphy: The waiting list question does feed into the need and demand idea as well—

Mr Cordiano: Exactly.

Mr Murphy: —because then you're looking at what the list is, how much of it is a duplication.

Mr Burns: That's fine. We will—

Mr Cordiano: We want to figure out a real demand from that waiting list.

Mr Burns: I can't do it in 60 seconds, but on Monday we will be prepared to talk about it in that time frame if people want to.

Mr Murphy: Fair enough.

Mrs Marland: Madam Chair, I won't be here on Monday because I'm chairing another committee, but I'd like the assurance—

The Vice-Chair: We'll ensure you get the Hansard.

Mrs Marland: I would like the assurance that I will get the answers to the questions I gave you this morning that you didn't have the answers for.

Interjection.

Mrs Marland: I need to have an answer to that question.

Mr Burns: I believe at this moment that I will be able to provide answers to all of your questions, but I have to go out and test a couple of them.

Mrs Marland: That's fine.

Mr Burns: Certainly the one first is quite answerable.

Mr Tilson: My question has to do with the issue on page 14 of Mr McClelland's memorandum, dealing with operating agreements. It's a topic that was raised in March; it was raised at the estimates and it's again been raised now.

The concern I have, Mr Burns, is that it's become quite apparent that there are still, even since 1986 when Homes Now started its adventure, a large number, if not most, of operating agreements that haven't been signed. In January, I don't think—there were very few signed. I think subsequently to that—the information I have; I don't know where I got it—there were 28 signed.

The concern when you start talking about operating budgets: the requirements to produce financial statements, the issue that Mrs Marland started to talk about, about what happens when there's transfer of buildings, the changing of policies, of who's going to live in these places—unless there's an operating agreement, you have no control. You've indicated, and you quite rightfully control—you have a control with a non-profit corporation, the structure of it is the conditions of it. But if you don't have an operating agreement, you have no control and yet you're guaranteeing about, what, $6 billion total?—at least, as of the spring, it was $6 billion of mortgages across this province and yet you have no control over these people.

Mr Burns: I think we came prepared today and we'd be quite prepared on Monday to talk about the status of the operating agreement situation.

Mr Tilson: That's fine. We'll add that to the list.

The Vice-Chair: You mentioned earlier, Mr Burns, that you had some documentation here with relation to the operating agreements, or that you could procure it.

Mr Burns: I think, given the way the discussion's unfolded, that if we put a binder, in effect, together, with a bit of context of overview, and then tab the ones we've got, because they're all related to the things that are in your report, give it to you as a consolidated whole, you'd find it easier to use and work through than throwing out a couple of bits of paper right now and then some more on Monday. With your indulgence, we'll work towards a binder on Monday.

The Vice-Chair: That would be very helpful. It's not always that the witnesses like to consider the comfort and organization for the committee, but I think that will be much easier for us to handle, rather than getting miscellaneous bits of paper.

Ms Harrington: I was also going to ask about the operating agreements, because I know we need a time

line to get those finished. I also know, when I first started with this ministry three years ago, that was one of the first things we knew was a huge problem which had, as I said before, been left, the loose ends dangling from a previous administration.

Mr Tilson: You've had three years to solve it. What have you been doing?

Ms Harrington: The conflict of interest, which is on page 7, is something I wanted to briefly ask about. Usually what happens is that you find out there is a problem regarding conflict of interest when it hits the press or when it becomes a problem. What I want to know is, how will you evaluate within the next year, or whatever time line you have, that in fact your conflict-of-interest guidelines that you have are working correctly? It's a hard question.

Mr Burns: I think we said in our response, of course, as we did in March, that we have revised the conflict-of-interest guidelines and we've done some training on that in the field and provided it to the sponsors we now know about. The committee recommendation was that we assess its effectiveness at the end of this fiscal year and at that level, the level of recommendation, we think that makes sense.

We have not, however, designed at this minute an evaluation process. The auditor asked just a minute ago in his supplementary questions for our reflections on how would we design an evaluation process.

Ms Harrington: And I want to know, how do you know it will be working correctly?

Mr Burns: That's an element of designing an effective evaluation, trying to measure its performance in the field. On that particular question, unless someone has an incredible brainwave this afternoon, we will likely advise you that we have not designed the evaluation, but any advice the committee itself has or, for that matter, the auditor, on what might be helpfully included in the evaluation process would be helpful. We have not designed one right at this minute.

The Vice-Chair: Mr Burns and Mr Schafft, thank you very much for the attendance before our committee today. The public accounts committee will stand adjourned until 2 o'clock Monday in this room.

The committee adjourned at 1201.

CONTENTS

Friday 10 September 1993

Annual report, Provincial Auditor, 1992 . . . . . P-195
Ministry of Housing P-195
Daniel Burns, deputy minister
David Martin, director, housing branch
Patti Redmond, executive assistant to the deputy minister
Peter Schafft, acting executive director, housing field operations

STANDING COMMITTEE ON PUBLIC ACCOUNTS

*__Chair / Président:__ Cordiano, Joseph (Lawrence L)
*__Vice-Chair / Vice-Présidente:__ Poole, Dianne (Eglinton L)
*Callahan, Robert V. (Brampton South/-Sud L)
Duignan, Noel (Halton North/-Nord ND)
Farnan, Mike (Cambridge ND)
*Frankford, Robert (Scarborough East/-Est ND)
Hayes, Pat (Essex-Kent ND)
*Marland, Margaret (Mississauga South/-Sud PC)
*Murphy, Tim (St George-St David L)
*O'Connor, Larry (Durham-York ND)
*Perruzza, Anthony (Downsview ND)
*Tilson, David (Dufferin-Peel PC)

**In attendance / présents*

Substitutions present/ Membres remplaçants présents:
Harrington, Margaret H. (Niagara Falls ND) for Mr Hayes
Rizzo, Tony (Oakwood ND) for Mr Duignan
Wiseman, Jim (Durham West/-Ouest ND) for Mr Farnan

Also taking part / Autres participants et participantes:
Peters, Erik, Provincial Auditor

Clerk / Greffier: Decker, Todd

Staff / Personnel: McLellan, Ray, research officer, Legislative Research Service

CA2ØN
XC 21
-P72

Government Publications



P-13

ISSN 1180-4327

Legislative Assembly of Ontario

Third Intersession, 35th Parliament

Assemblée législative de l'Ontario

Troisième intersession, 35e législature



Official Report of Debates (Hansard)

Monday 13 September 1993

Journal des débats (Hansard)

Lundi 13 septembre 1993

Standing committee on public accounts

Comité permanent des comptes publics

Annual Report, Provincial Auditor, 1992: Ministry of Housing

Rapport annuel, Vérificateur provincial, 1992 : ministère du logement

Chair: Joseph Cordiano
Clerk: Todd Decker

Président : Joseph Cordiano
Greffier : Todd Decker

Published by the Legislative Assembly of Ontario
Director, Hansard Reporting Service: Don Cameron

Publié par l'Assemblée législative de l'Ontario
Directeur, Journal des débats : Don Cameron

Hansard on your computer

Hansard and other documents of the Legislative Assembly can be on your personal computer within hours after each sitting. Sent as part of the television signal on the Ontario parliamentary channel, they are received by a special decoder and converted into data that your PC can store. Using any DOS-based word processing program, you can retrieve the documents and search, print or save them. By using specific fonts and point sizes, you can replicate the formally printed version. For a brochure describing the service, call 416-325-3942.

Index inquiries

Reference to a cumulative index of previous issues may be obtained by calling the Hansard Reporting Service indexing staff at 416-325-7410 or 325-7411.

Subscriptions

Subscription information may be obtained from: Sessional Subscription Service, Publications Ontario, Management Board Secretariat, 50 Grosvenor Street, Toronto, Ontario, M7A 1N8. Phone 416-326-5310, 326-5311 or toll-free 1-800-668-9938.

Le Journal des débats sur votre ordinateur

Le Journal des débats et d'autres documents de l'Assemblée législative pourront paraître sur l'écran de votre ordinateur personnel en quelques heures seulement après la séance. Ces documents, télédiffusés par la Chaîne parlementaire de l'Ontario, sont captés par un décodeur particulier et convertis en données que votre ordinateur pourra stocker. En vous servant de n'importe quel logiciel de traitement de texte basé sur le système d'exploitation à disque (DOS), vous pourrez récupérer les documents et y faire une recherche de mots, les imprimer ou les sauvegarder. L'utilisation de fontes et points de caractères convenables vous permettra reproduire la version imprimée officielle. Pour obtenir une brochure décrivant le service, téléphoner au 416-325-3942.

Renseignements sur l'index

Il existe un index cumulatif des numéros précédents. Les renseignements qu'il contient sont à votre disposition par téléphone auprès des employés de l'index du Journal des débats au 416-325-7410 ou 325-7411.

Abonnements

Pour les abonnements, veuillez prendre contact avec le Service d'abonnement parlementaire, Publications Ontario, Secrétariat du Conseil de gestion, 50 rue Grosvenor, Toronto (Ontario) M7A 1N8. Par téléphone : 416-326-5310, 326-5311 ou, sans frais : 1-800-668-9938.

Hansard Reporting Service, 481 Legislative Building, Toronto, Ontario, M7A 1A2. Phone 416-325-7400. Fax 416-325-7430

STANDING COMMITTEE ON PUBLIC ACCOUNTS

Monday 13 September 1993

The committee met at 1405 in room 151.

ANNUAL REPORT, PROVINCIAL AUDITOR, 1992: MINISTRY OF HOUSING

The Acting Chair (Mr Robert V. Callahan): I greet everybody back from their weekend of rain.

Mr Jim Wiseman (Durham West): Maybe it rained on your parade, but not ours.

The Acting Chair: It didn't rain in your area, eh?

We have before us Mr Daniel Burns, the deputy minister, and Mr Peter Schafft, acting executive director of housing operations. On the last occasion we had an opening statement from these gentlemen, so we'll just get right at it.

Mr Daniel Burns: Mr Chair, I was asked some specific questions on Friday to which I have answers, so I can answer now or at some point that's appropriate during the proceedings. I wanted to advise you of that.

The Acting Chair: What's the wish of the committee? Shall we wait till the end or answer them now?

Mr David Tilson (Dufferin-Peel): Mr Chair, I have no problem. The difficulty is how long it's going to take. I think we all have several other questions that have arisen since February. Some of these topics could probably take a morning.

The Acting Chair: Okay. I take it then we do not have unanimous consent to have those questions answered now, so I guess—

Mr Wiseman: I don't think we need unanimous consent.

The Acting Chair: We would, because when last we left there were questions being asked by the members and we're in that stage of the process.

Mr Wiseman: But it seems to me that in presenting the information that Mr Burns would have, he may well expedite the whole process by answering those questions and not having to revisit the territory. So, if we gave him 20 minutes or something to go through his presentation—

The Acting Chair: That's what I was going to suggest, perhaps a maximum of 15 minutes.

Mr Tilson: I don't want to argue too much on this, because we have a lot to cover, but I understood that a lot of this was going to be prepared in writing, and the auditor and members of the committee would have an opportunity to review the responses in writing.

The Acting Chair: Maybe I could ask Mr Burns.

Mr Burns: The questions I intended to answer orally at the beginning will take me less than 10 minutes. Based on the discussion of last time, I have staff here to make presentations on two subjects which were discussed a lot, but that's up to you. I have some written material today and can advise you about the other written material you asked about. That's the status of things from my side.

The Acting Chair: Perhaps we could start with unanimous consent to have you spend 10 minutes to answer the questions that were asked and we'll then leave the other till afterwards. Agreed.

Mr Burns: I was asked if we could provide ministry work plans that cover the subjects that were dealt with in the recommendations of the draft report of the committee, on our audit, and I said that we could. Then I was asked if we could try and do it by this minute, and we have collected a fair amount of material, but to put it in an organized form that you can both find your way through and relate to the recommendations will take a little bit more time. So that was a particular set of materials I was asked for. They're in preparation. I don't have them right this minute.

Secondly, we were asked a number of specific questions related to updates on things we were working on that we had discussed in March, and I have a package of written material covering eight subjects. I think that the titles are self-explanatory and I won't walk through them unless a member of the committee wishes it, only to note that tab 8, "Information on Waiting Lists," which Mr Murphy asked about on Friday, is a summary chart of waiting lists that are in the hands of the Ontario Housing Corp. Now, to get the full answer to Mr Murphy's question, you have to get some other things that we didn't have readily at hand, but that piece is only that part.

My second comment is that we do have written material in relation to a number of other questions we were asked and I'm just filing that with each member of the committee right this minute.

Third, we were asked a couple of questions by Mrs Marland, one on the number of non-profit and cooperative housing providers we fund who have charitable status, and I'm going to ask Mr Schafft to spend two minutes on the answer to that question.

Mr Peter Schafft: One of the things that we cannot provide this committee, unfortunately, at this point in time, is the individual status of the projects which are classified as charitable institutions under the act. It is a very minute number, and what we have to do is actually poll the individual regions to go through that information. We will be doing that and the committee will be

provided that information.

Mr Burns: Finally, Mrs Marland asked about the status of a particular project whose proponents had an application in for funding to support a number of developmentally handicapped adults within them. She asked specifically what the status of that funding was and, should the funding not be provided, how the units that would have gone to those folks, if there had been funding, would be allocated, and we have the answer to that question.

Mr Schafft: That made reference specifically to the Robert Cooke co-op. The issue was the 15 units that were being held for supportive housing, basically for a developmentally handicapped group of individuals. There was reference to a date of September 16, and that was a date that had been put forward by the regional office for that particular project. What we needed there was a deadline. Rather than leaving units vacant, what we needed was a time line and a deadline so that in fact the group, including the Ministry of Community and Social Services, knew that we could only go so far and we did not want to keep any vacancies.

We're still going on with discussions with MCSS. We've extended the deadline slightly to the end of September. It's always been the intention, if in fact those units are not filled with supportive housing, that they will be going directly for those in deep core. Those are the neediest group. They are not going to market, and we're talking about 15 units at this point in time.

Mr Burns: Finally, a number of questions were asked on Friday about the method we are using to determine how many units might be appropriate, first in a general part of the province and then secondly at a community level. I have with me Mr Nick But from our policy group, who is responsible for designing much of the material. Should the committee wish it, he's in a position to make a presentation on that or to answer questions if that would be helpful.

Secondly, a number of questions were raised that relate to the design process for the new program, Jobs Ontario Homes, and we have Tita Ang-Angco, who is the manager responsible for the program design work in that area. Again, should the committee members wish some presentation, we're prepared to do that; or if you would prefer to do it on the basis of questions, obviously that's fine as well. That's the end of my remarks.

The Acting Chair: You've done very well. You said 10 minutes and took five. Before we go to questions by members, I'm going to ask the auditor, are there any of these offerings of presentations that would be necessary for your purposes or any questions you'd like to ask?

Mr Erik Peters: Thank you very much for asking. No, I think we had provided you with a list of questions and I understand that is still forthcoming. The other answers were just on specific questions. Thank you.

The Acting Chair: I'm making a list and checking it twice. Mr Tilson.

Mr Tilson: I would like to hear the presentations, but I don't think this afternoon would be appropriate because of time restraints. I think that both of those topics could take some time and I for one would prefer that those topics be held whenever this committee reconvenes in October.

The Acting Chair: All right. I would propose that we do 15 minutes a caucus for the first round; that should take us to 3 o'clock and then we can work from there. Is that agreed? Agreed. We'll start with the official opposition.

Mr Joseph Cordiano (Lawrence): I would like to continue where we left off last week. If anyone recalls, we were talking about waiting lists. Before doing that, I just want to say that obviously we're going to have to take some time to review what you've provided to us today, and in so doing, we will then be able to report to you with respect, I would imagine, to some agreement shared by all members of the committee with respect to the time we'll have you back for further questioning on these items and on the work plans that you've presented for us today. There are a number of things that I would like to get into, but I'm going to leave them till I've had an opportunity to review this material that you've given us.

I'm going to, instead, turn my attention to some questions, as I said, to follow up where I left off on Friday on the whole question surrounding waiting lists. This is something that I think is very pertinent and critical to your method to determine what demand there really is for non-profit housing, in my opinion. The fact of the matter is that if there is duplication among lists, for example, if I didn't recognize an answer on Friday that suggested that you knew how many people are on those current waiting lists who are being housed in Ontario Housing accommodations—do you have any way of knowing that?

Mr Burns: I think I advised the committee on Friday that for quite a long time, people who were already resident in Ontario Housing Corp weren't permitted to apply to live in another subsidized unit somewhere else in the social housing stock. That rule change has only come in the last two to two and a half years. So there's not a lot of history to that particular part of the waiting list picture.

Mr Cordiano: They're prohibited from doing so.

Mr Burns: Sorry, let me just finish. Secondly, though, to give a specific answer, no, we do not know how many people presently resident in Ontario Housing Corp housing may be on a waiting list for some other social housing provider.

Mr Cordiano: Just to be clear, you're suggesting that they are forbidden for—

Mr Burns: They were.

Mr Cordiano: If they weren't on a list, they were two and a half years ago.

Mr Burns: Up until two and a half years ago. Two and a half years ago, there was a policy change.

Mr Cordiano: That's precisely why I was asking my question, because I couldn't understand how you came to that conclusion. The fact of the matter is that if you don't know that, then obviously these waiting lists cause people some concern as to the number of people who are on those lists who are currently not being housed and seemingly on the streets, if you will. When you hear figures or quotes of waiting lists, it's in the thousands and Metro Toronto, last time I heard—perhaps you can update me on that. What was the current and existing waiting list for Metro Toronto, if there is such a list that's been compiled by you? I knew there were estimates in the past, but I wanted to get an update as to what the waiting list is currently. Has that been provided in the information?

Mr Burns: Within Metropolitan Toronto, our waiting list in Ontario Housing Corp is in the order of 20,000 households, but as I said earlier in my opening remarks, we weren't able, for this moment in time, to get up-to-date information on the two other major waiting lists in Metropolitan Toronto, which are the Metropolitan Toronto Housing Co Ltd, which is mostly seniors, and the City of Toronto Non-Profit Housing Corp.

Mr Cordiano: Of course, that doesn't include other waiting lists.

1420

Mr Burns: No, there will other waiting lists at the level of individual projects—

Mr Cordiano: That's right.

Mr Burns: —all throughout Metro Toronto.

Mr Cordiano: It seems to me that in order to get a real handle on what's going on, not just in Metro but elsewhere, it is very appropriate to make it an issue, for the ministry to get a handle on the actual number of people who are not currently housed anywhere or who are living in what you might consider inadequate housing, and what that really means.

The general picture is that there are many more people who are not being housed adequately, and if they're not being housed adequately in Ontario Housing—and this is the other issue that I find needs further enlightenment, or at least analysis—if Ontario Housing is inadequate, then why is it inadequate? Why is MTHA not adequately housing people? That leads us to a whole other area, but it has implications on the demand question for you, because that's been largely the picture that's been put forward, that there is great demand for non-profit housing. And there is, but what that consists of and just what those pressures are lead us into the area of policy, I know, but quite frankly it's an important matter with respect to demand.

Would you like to comment on that?

Mr Burns: Yes. It is obviously a component of trying to assess the housing conditions in the community and whether some more non-profit or cooperative housing makes sense in the community context; that is, looking at waiting lists, which is one of a number of features.

The most significant part, though, I think of the issue that you're raising is not with people who may be in one part of the social housing sector applying to live in another part, but those households that may be on more than one waiting list that are outside the sector and that would also be, in the terms you've laid out, double-counted or counted twice, if you simply took all the waiting lists, added them up and said that was the need. In March, and again on Friday, we did have some discussion about our work to try to create better systems for letting people who might want to apply to live in this sector gain access to it.

One of the collateral consequences of having a more organized access system will be a better knowledge on our part and on the part of providers in the community—let's say, Hamilton—about what people have done by way of application. If you had a central place to come to, you might come and say, "I'd really like to live in the west end of Hamilton; I've lived in the west end all my life," and therefore submit an application to the Hamilton housing authority for public housing in the west end, but also to the non-profits that happen to be in that community. Then we would know that this particular household might be on two or three waiting lists. Right now, we don't know that.

Mr Cordiano: This is what's critical, in my opinion. The number of people who would like to live in non-profit housing knows no boundary. There is no limit. If you took the number of people who are currently housed in Ontario Housing and asked them how many wanted to be in non-profit housing, I would venture a guess that it would be quite large. There's nothing wrong with that, perhaps, but I think that causes everyone to question the supply of units on the market that currently exists in Ontario Housing, the pressures that are exerted on that. The fact of the matter is that Ontario Housing stock is being rapidly run down. It's not being maintained, particularly in Metro Toronto. We've heard of numerous problems around that. It's no wonder people want to get out of Ontario Housing. All I seem to see in my constituency office is people who are requesting transfers out of Ontario Housing, from one project to another, because there are problems.

Mr Burns: I think we should make a distinction between those who've applied for transfers within—

Mr Cordiano: Within, yes. I understand that.

Mr Burns: That's quite a large number, and managing that process is a challenge. I do know that when the policy changed, two and a half years ago, the main non-profit operators around the province paid attention for a few months to see if they got a significant influx of new applications from people who are now within the public housing sector. While there were some, there was not a big upsurge.

Mr Cordiano: A few months isn't an appropriate time to measure that, I would say to you.

Mr Burns: I appreciate that—I don't have data, and I've said that—but on a judgement call of whether there's a large number of people, let's say, on the Cityhome waiting list who are now resident in MTHA, I don't think that's the case. We will certainly talk to Cityhome as part of giving the full answer to this question—

Mr Cordiano: I disagree with you fundamentally on this.

Mr Burns: —transfers internally, there's quite a long list.

Mr Cordiano: I just have to emphasize that I do disagree.

The Acting Chair: Could I just remind all members and the people who are in attendance that Hansard can only record one voice at a time. If you're recording two, one of them has been lost to history.

Mr Cordiano: I appreciate that, Mr Chairman, having been in your position.

Mr Wiseman: A voice lost to Hansard; did it ever speak?

Mr Cordiano: It's just that I'm trying to be as specific as I can with respect to the points that I'm making. In an effort to do that, we may cross paths in terms of our questions and answers.

I know Mr Murphy wants to ask some questions, but to finish this round off, I would just simply say that the difficulty I have with all of this is that we are attempting to better understand what the real demand and need is out there. What I would not want to happen, and I think is happening, is that those who really need housing and who are inadequately housed, those who are currently on waiting lists—and I know there's a priority in listing and a priority rating, but the fact of the matter is that we cannot guarantee ourselves that those who really need a certain type of housing are getting it in the areas that are most in need.

That runs smack right back to the point that we've made and the auditor has made with respect to demand analysis. That's a big concern, because we're allocating resources, and obviously the question of whether we're meeting the demand out there I think is not being answered. Today you have laid before us a plan to do that, and I'm hopeful, but I need to emphasize and reiterate my concerns with regard to that, because I think that's a key and central issue to the entire matter of demand analysis and are the people who are most in need getting the kind of housing that they need, whether it's in non-profit, municipal, private or co-op, including the Ontario Housing units that are available to people. I have to emphasize that I don't believe we have a really good handle on any of this. People are commenting constantly on this question and I don't think get it right, or anywhere near it.

Mr Burns: I'd only say for five seconds that of course waiting lists aren't the way to assess market conditions in a community; they give you only part of a picture. The planning model we use and the material we require from people go well beyond waiting lists. Waiting lists are only a part of the picture.

The Acting Chair: Mr Tilson, does Mr Carr care to share a portion of your 15 minutes?

Mr Gary Carr (Oakville South): No, I think he's got plenty.

The Acting Chair: You're giving him the full 15 minutes, are you?

Mr Tilson: He may jump in from time to time.

The Acting Chair: Just raise your hand when you want to jump in.

1430

Mr Tilson: I'll proceed before my time is used up. Mr Burns, as you know, our party has been a long-time critic of non-profit housing and continues to be so. In 1991, when I was the Housing critic, I prepared a report for, at that time, 119 Homes Now projects. I have now updated that for a subsequent 320 non-profit housing projects that have been approved and completed by the Ministry of Housing. That's available, I might add. It's a booklet which I'd be pleased to make available to members of the committee or the Provincial Auditor's office. I think you'll find some revealing information.

I'd like you to turn to page 4 of Mr McLellan's paper. This is the subject of the topic of value for money. Are we receiving value for money on non-profit housing? Your response is that you're reviewing guidelines, you're discussing this with the Management Board secretariat. You may have some other thoughts.

In this report that we prepared, we came across a number of rather astounding projects that have been developed. I assume that any I speak to you may or may not know. You may have to ask your staff for assistance. One of them is one that I actually physically went and looked at, and it's one at the Riverdale Housing Action Group in the Beaches. It's on Waverley Road. I have a photograph of it, which I don't know whether you can see from here. I'll eventually let you have a look at it. It consists of four units. There are four units of this development; four families are living in it. It cost $1,274,769 to do all this: $215,000 to buy the place; interest on the land to start construction, $94,187;

we paid a consultant over $100,000; the renovation cost over $500,000. This is the astounding part: The cost per unit of this project was $318,692.

This information was received under a freedom of information application which I made and which I got. It was broken down, and that is the information I have received: a $318,692 cost per unit. When you look at this—I haven't seen the inside of it—you talk about the NDP when it was talking about rent controls and marble foyers, social housing has gone a long way when you start spending $318,000 per unit on non-profit housing. The taxpayers of Ontario are just shaking their heads in disbelief as to whether this is an example of non-profit housing that's developing in this province.

My question, and I think the issue that's been raised by this committee, is, are we getting value for money for these things? To me, you could get an awful lot of social housing for $318,000 per unit. That's a pile of money. You can pass that to Mr Burns, and other members of the committee may wish to look at it.

Mr Burns, the comment that you made, perhaps not you but your staff, is that it's being reviewed, guidelines are being reviewed, you're discussing this with the Management Board secretariat. If this is an example of non-profit housing for four families at $318,000 per family, that's not value for money. I'd like you to comment on that.

Mr Burns: I am not familiar with this particular project or file, so I don't think it would be helpful if I said anything more about it until I had a chance to look at the file myself. The second part of the question referred to the discussion we had on Friday about appraisals. Appraisals deal with the land component of development, and that was the discussion in the spring, and again on Friday, ensuring that we were using the best possible appraisal methodology as we were dealing with land value within a particular development application.

I said in the spring that the practice we used was consistent with industry practice but that we had an intention to look at our practice, to look at our staff training, to look at our guidelines and that, because the Management Board secretariat real estate services group also are involved in land transactions and doing real estate work, we would be talking to it along the way. I think I said on Friday that we have looked at our practices. We've gotten some outside advice on that. We've taken a look at the advisory material provided to our staff and the kind of training that we give them and are going to revise our internal work in that regard and do some staff training, all of which I think is of administrative value and will produce improvements in program administration. But the question of using highest and best use as a component in doing an appraisal of land, that is industry practice and of course we will continue to do it.

Mr Tilson: Mr Burns, I'd like to return to the Waverley Road project. Assuming the information I have is correct, and I believe it is, because it came from your files, how can something like this happen? How can non-profit housing be created at $318,000 per unit? How is that possible to happen? I appreciate you may not know this specific project. I may list off a number—which I intend to do, I might add—and it's unfair of me to ask you to comment on those specific projects. But assuming this information is correct, how can they happen?

Mr Burns: I don't want to offer speculation in response to that particular question. I take it that the history of the particular project is being asked for, and we will provide that. But I don't want to speculate right at this moment.

Mr Tilson: All right, we'll leave that and hopefully you'll be able to review that, because I can assure you that Waverley Road will surface again. At $318,000 per unit it's inexcusable.

I have one other question on the same area. The subject was raised on Friday—I think Mr Wiseman raised the issue—about mortgages. There was a project which was in North York called 2 Mascot Place. This is a development of 71 units in which the cost per unit is $96,792. This is a tenants' non-profit redevelopment corporation. This is actually a cooperative, I believe. The question I have with that, when this property was purchased, which was in 1991, the mortgage at that time was $7.951 million. The interest rate was 17%.

Mr Wiseman: A good Tory rate.

Mr Tilson: You can say it's a good Tory rate, but I can't believe the province of Ontario is investing in all kinds of non-profit housing around this province and can't do better than 17%. The mortgage was subsequently, in February 1993, it looks like, renegotiated, because the term of the mortgage was to go until 1997, renegotiated at 9.25%. I also assume that you will not know about this specific project and whether any of your staff will, but I want you to look into it, because this one's not going to go away either.

The issue is, of course, that this was renegotiated for a further year at 9.25%, and yet the mortgage was increased by half a million dollars. Now, I don't know whether there was a half-million-dollar penalty or whether there were renovations that went on. Certainly there were renovations at the outset. I think $30,000 at the outset was spent for renovations. But it sat there for two years.

I don't know whether any member of your staff has anything on that at this specific point in time. I assume that you don't. I hope you will look at that and get back to the committee on that. More importantly, I would like you to tell me a little bit further to Mr Wiseman's question on the whole topic of interest rates. Why

couldn't a non-profit housing unit with the backing and guarantee of the provincial government—and you can't get a better guarantor; at least you couldn't—only get 17%? Why wouldn't that have been a lot lower?

1440

Mr Burns: Your speculation that I wouldn't be acquainted with this file is accurate. I don't know the history of this particular project. But again, as I said in relation to the other questions you just asked about the project in the east end of the city of Toronto, we would be happy to look at it and provide you with an assessment.

Mr Wiseman: Which year are you speaking about there, David?

Mr Tilson: How do you monitor these things, Mr Burns? How does the Ministry of Housing monitor what's going on with the renegotiating or refinancing of mortgages?

Mr Burns: We do that through a centralized—

Interjections.

Mr Tilson: There are conversations going on all over the place.

The Acting Chair: Yes. Order, please.

Mr Burns: We organize, if you like, the financing and refinancing through a central facility that gives us the best possible interest rates. We've been doing that for about three years in two different formats. The more recent format was getting us very good interest rates.

So just to answer the general part of your question, we are acquainted with conditions in the mortgage market and we are acquainted obviously with the conditions that attach to the mortgaging of any property that we're supporting. But the history of this particular project and its financing, I'm not acquainted with that, and I will have to look at the file.

Mr Tilson: You will get back to the committee on that?

Mr Burns: Yes.

Mr Tilson: Thank you, because I believe that back then you—not you but the corporation—could have gotten as low as 13%, and that's a substantial difference.

I'd also like to know what the half-million dollars is for, whether that was a penalty or further renovations, and if it was renovations, why did it take two years to renovate when you're paying all that annual interest each year?

Are there any other projects that you know of where that has existed, where you've had high interest rates, where there's been renegotiating in the middle of the term? Because most of the mortgages would go on for a minimum of five years.

Mr Burns: For the last nine months or so, we've been running an accelerated refinancing program where we take mortgages that are now—interest rates considerably higher than the current market and renegotiate them down and out in order to reduce our financing costs. So we are actively engaged in trying to minimize the amount of financing cost that the program is supporting.

Mr Tilson: Again, I know you won't have that now, but can you undertake to provide that information to the committee, as to what sort of refinancing you're doing and what, if any, penalties have been paid?

Mr Burns: We haven't been paying penalties, but our accelerated refinancing program is part of our expenditure control plan and is described in general terms in that, but we can give you a status of that.

Mr Tilson: Well, I can tell you, the mortgagee in this Mascot Place, the CIBC Mortgage Corp, there's no way it's going to reduce a mortgage from 17% to 9.25% and not charge a penalty. I assume there are others like that.

Mr Burns: They may if you also extend the term, and that's the program that we're engaged in.

Mr Tilson: Well, it was extended one year. I'd like to know more—

Mr Burns: Again, we're moving back and forth from the general to the specific. Again, I do not know the facts of this particular file, but I will undertake to answer the questions that you have asked.

The Acting Chair: We are also going to be moving back across the aisle to the government members.

Mr Wiseman: I'll be really quick. I just want to make a quick comment on this line of questioning about the mortgages, and that is that I think it points out the problem with the central bank and the way it's been operating the monetary policy in this country for the last nine years. There was absolutely no need for the increase in interest rates. It started in October 1987 when inflation was under 4%, but they decided to push it anyway.

I think that what this does show is that the banking policy of this country is sorely out of date and does not reflect what is happening in other jurisdictions around the world. For example, in Japan, while our federal Tory and Liberal governments were moving interest rates in 1981 as high as 23% for second mortgages, Japan said that they were going to cap their interest rates at no more than 2.5% to 3%. So there is a differential in borrowing capabilities for their businesses compared to ours of almost 20% and that has had a huge difference in terms of their ability to build infrastructure, and I think it reflects in the huge costs that have been added both in Ontario Hydro and in Ontario in terms of the debt that we've had to carry.

The second thing that I'd like to say is that in other jurisdictions, when the interest rates fall, these jurisdictions have passed federal laws and state laws that

allowed the interest rates to be lowered with no penalty. They've also allowed these jurisdictions to maintain that you cannot take a house for bankruptcy, which means that people still have access to homes should their businesses fail, and since a lot of businesses have failed because of the high interest rates and the high dollar, at least there is some protection for them.

So what's interesting about this line of questioning about mortgage rates is it shows that the way our banks, and in particular our central bank, deals with people in businesses is completely out of date, onerous and gives them too much power to put people out of business.

Now, the reason that the rates remain high is because the banks can get a better rate lending to governments than they can in the marketplace lending to businesses, and they also keep the rates high for lending for mortgages. That is one of the reasons that for mortgage money, you cannot get as good a deal as you would have thought in a marketplace, especially if there was some competition.

So that's where I'm coming from on this. When I asked that question last day, it was because I was trying to get at the added cost to the taxpayers of the province of Ontario, not just in housing, but in Hydro and in the debt, what the accumulated impact has been to the taxpayers of Ontario of that very faulty monetary policy of the central government. Now, I know that in 1981 and 1984, it added billions of dollars to the debt of Ontario Hydro, and I think that in terms of what's happening to the rest of the province, this faulty policy of the central government has really created some problems there. That's what I was looking for, and I'm not sure if you want to comment on that right now or whether you—

Mr Tilson: He's not running for office either.

The Acting Chair: You're asking this gentleman to comment on the policy of—

Mr Wiseman: No, I'm asking him to comment on the added costs to the running of this program by the increased interest rate policy of the central government.

Mr Burns: I think I said that.

The Acting Chair: You want to stick-handle your way around that, Mr Burns, without—

Interjections.

The Acting Chair: Just a second. Order. If Mr Burns wants to answer that, but I think we should recognize that any person who comes before us who's in the civil service should not, in fairness, be asked a question of policy. That's a political decision.

Mr Wiseman: No, I'm not asking him a question of policy. I want to run—

The Acting Chair: He can be asked about the administration of that policy and—

Interjection: It's a dollars-and-cents question.

Mr Wiseman: I'm asking for the dollars and cents and how much the interest rate increase from 1987 to 1991 has added to the public debt.

The Acting Chair: You've had it clarified, Mr Burns, if you'd care to answer it.

Mr Burns: I think I said on Friday that I don't hold myself out as an authority on national money policy and I didn't really want to speculate. I have views like any citizen on those things, but that's exactly what those are.

On a specific question like the difference in mortgage rates between our market and the US market, what cost impact would that have if we had mortgage rates like theirs, a question like that we could give an answer to, because that's a question of just doing some financial analysis, but I don't have anything to offer in terms of national monetary policy nor frankly would I know quite how to answer a question like, if we had another monetary policy, what would our mortgage rates have been? There may be people in the industry who could have a way of answering that; I don't.

Mr Wiseman: Maybe I can come at it from another angle. How much money are you saving now by refinancing the interest rates downwards?

Mr Burns: In this year alone—

Interjections.

Mr Wiseman: Then it would tell you how much we should have—we've paid more.

The Acting Chair: We've asked the witness a question; let's at least have the courtesy to listen to his answer and not interject.

Mr Tim Murphy (St George-St David): We're being discourteous to the questioner.

The Acting Chair: That's fine, but let's listen to the witness who is giving you an answer.

1450

Mr Burns: In this year, our refinancing program, which I touched on a little bit earlier on, will save us $42 million. Our forecast is it will save us $42 million in expenditures.

Mr Wiseman: What's the average rate that you're getting right now?

Mr Burns: Oh, dear. Again, I think in March we talked a little bit about the advice we'd gotten on the type of financing we'd been using. While we had organized a central borrowing facility, we had been fairly standard at getting five-year terms. The advice we got was to spread our terms a little bit, some shorter, some longer, and balance the kind of refinancing we were doing. So we are getting good rates at all those terms.

We are down in a lot of our borrowing to within a very few points of the federal borrowing rate. We've got a couple where we're under 10 points above their

borrowing rate. So for the short term, we've actually had one or two under 5%, and I think for three to five years we've gotten a lot in the 5.9% to 6.1% range. We do this once, twice, three times a month. Each one's a little different, but that gives you the kind of range that we're in, and it's of course well below the performance of a couple of years ago.

Mr Wiseman: Okay. A quick question going in a different direction and then I'll turn it over to my colleague.

The maximum unit price: If I understand the auditor's report, that was determined between the CMHC and Ontario. Is that correct? Have I got that right?

Mr Burns: Yes. From 1986 until now—we've just changed it, but from then till now, all the jurisdictions involved in program delivery in Canada used one model for capital cost controls called the MUP, the maximum unit price. We've had reservations about it. The type of analysis done in the auditor's report also pointed us in the direction of wanting to take a hard look at it, which we have done. We talked about this in March, and the federal government has been unwilling, and remains unwilling, to abandon its methodology.

Mr Wiseman: That leads me right to my next question.

Mr Burns: We, on the other hand, have changed our practice.

Mr Wiseman: We can unilaterally change ours? We don't have to—

Mr Burns: We've changed it for our own programs. They've refused to let us change it for the programs that we administer that are jointly funded, retaining the traditional system of one capital cost envelope. We have moved to a system where we have divided the capital cost envelope between land and the remaining elements of development cost.

Mr Wiseman: That gives us a significantly different price, then?

Mr Burns: It gives us a much more—

Mr Wiseman: Marketable?

Mr Burns: —sophisticated way of dealing with cost proposals, and one that we can more easily relate to market conditions than the former model.

Mr Wiseman: Thank you. If we have more time, I'll have more questions.

Ms Margaret H. Harrington (Niagara Falls): I wanted to address two major concerns of the auditor in how we spend money. The first one was actually the maximum unit price which we've just started to discuss. I want to know the purpose—I think you've already mentioned that—and the direction that we're going. You've explained that you're going to divide that one envelope into two parts, but I'd like you to explain a bit more about what difference that's going to make in the actual field operations out there.

The second area that I want to get to is the change to our land acquisition process, and that is on page 4.

Maybe I'll give you just a minute or so to try to go a little further with the MUP explanation, as to how it differs from our policies in the past.

Mr Burns: I am going to ask Mr Schafft to give you a bit more detail about how our new system of capital cost controls is designed.

Mr Schafft: Basically, as was just discussed, the former maximum unit price level was established in conjunction with the federal government. However, it was one lump sum, so in fact you had the land component plus all the capital construction costs, plus any what we call soft costs—which may mean development consultants, architects etc—which were all grouped into that.

What we found, which certainly was confirmed also by the auditor, was that if in fact you have a low cost on the land side, you might be able to use some of those dollars to do some other work. We also found that without having a separated amount, you can't negotiate as well because you don't have a specific cap.

What we have under the new MUP system is really one where now we know what's going on in the marketplace. We can use the information from the marketplace as far as land. You can establish specific caps as to what the maximum level of land, including some ancillary costs, would be. That's not the maximum; that's really a starting and a guide. The individual groups and the ministry have that flexibility to work within that range—not the maximum, but within that range—and you don't go beyond it. What you now have done, then, is separated the other costs, the overall construction costs and all the other costs.

Ms Harrington: Have you got a new name for that, then?

Mr Schafft: Not at this point. We're working on that. It is certainly part of the new JO Homes program. What we're using at the moment for the federal program still is the old MUP system, where also the numbers are down this year as far as the price.

Ms Harrington: Now, besides dividing out the land from the total cost, what changes are there to the amount that would be assigned for the cost of the building? I would think one of the changes is a more regular, every three months or something, update as to what the construction costs are.

Mr Schafft: That's right. That goes back into knowing what's going on in the marketplace; again, the same topic I talked about Friday as far as information-gathering and knowing what's going on in the marketplace. One of the market indicators and information on construction costs—and I think it was probably also distributed earlier—is some of the information that

comes from Marshall and Swift, which is basically a guide on construction costs and knowing what's going on in the marketplace. All the regions do have access to that, so that is one of the indicators.

Also with the new system, since it's a provincially driven system, we can certainly have much more control over designing it, changing the numbers, more so than previously a MUP system across Canada.

Ms Harrington: In the policy, is there a particular time interval when there will be changes?

Mr Schafft: Normally, it would be set one year in advance, but now the new system will also allow some flexibility if in fact—because you're not using them as a maximum; you're using them as a negotiating position. So as the market changes, you have that flexibility to negotiate with them.

Ms Harrington: Is that system in place? I know the auditor asked for the time lines and work plans.

Mr Schafft: We're about to have that issued very shortly in conjunction with the Jobs Ontario program.

Ms Harrington: Okay. So it will then be policy as soon as it's announced?

Mr Schafft: For all the new delivery of the new Jobs Ontario program, it will be, yes.

Ms Harrington: The second part of my question was about the land acquisition process. The auditor was concerned, and so was the committee, about the highest-and-best-use policy. I note in your reply that you've said this particular appraisal methodology is not only a ministry policy but a government policy and the minister will be discussing this review with Management Board secretariat. Can you give us any further update as to what the problems are there, and are we going to be able to make changes?

Mr Burns: I think in response to a question Mr Tilson asked earlier, I said that we had looked at our own guidelines. We've gotten some external professional advice on it. We've looked to advising them and to running a training program internally. The use of "highest and best use" as a part of what appraisers do in looking at land value remains part of the system, but we think that we've had a productive review of our business practice and it will result in more even and effective work—more even in the sense that each staff person will be trained to a practice and a norm and an understanding of the methodology.

However, we're just at the stage of that work where we've finished our internal assessment and we're about to turn to our field side. So at this point, we will be talking to the Ministry of Government Services about their practices and whether our review makes sense in terms of what they're doing.

As Mr Schafft said before, a lot of this work is being done on time lines that will ensure that it's in place for the delivery of the Jobs Ontario Homes program, so that what we put out at the beginning was the allocation model, the evaluation model people would apply. Now we're putting in place the detailed methods we will be using to evaluate individual projects in a physical and financial and developmental sense as we go through those stages in the fall.

The Acting Chair: Thank you, Mr Burns. Thank you, Mrs Harrington.

1500

Ms Harrington: I just wanted to ask: Does this satisfy the auditor's—

The Acting Chair: I'm sorry. Time has expired—

Ms Harrington: May I ask another question?

The Chair: —unless you wish to give unanimous consent to Mrs Harrington asking that question.

Mr Murphy: No, in the rotation.

The Acting Chair: I'm sorry, Mrs Harrington. I don't control unanimous consent.

We now will have 20-minute sessions. We'll start with the official opposition.

Mr Murphy: I want to follow up a bit on Mr Cordiano's questions and some of the initial questions on the waiting list issue that I talked about on Friday. Obviously, in terms of using it as a need-and-demand assessment tool, that is, I suppose, to some degree a bit of a blunt instrument, is what we're trying to get at. I'm thinking about, for example, the decline over time of Ontario Housing Corp stock and other publicly—the stock that's no longer built, in essence, because we've used different tools to build it.

For example, in my riding, Regent Park is I guess not far off from its 40th anniversary in terms of a public housing project. If you were looking at it on one level, you'd say, well, there is a community which has housing, and you wouldn't assess that in terms of need or demand. But I think what Mr Cordiano was getting at, and I was trying to get at it, albeit in a somewhat rough manner, on Friday was how you place the decline, frankly, over time. You go through that stock and there are tenants who are mad. I wouldn't put a rent strike far off the map in terms of possibility because of the level of anger in the community about the quality of the stock, about the housing conditions.

That fits into a more complicated assessment of need and demand, because on one level you take that as housed, but if you start looking, I think, at some of the issues of transfer applications, some of it is obviously larger to smaller, smaller to larger, but I think a growing number, in my sense, coming through my community offices are people who want to transfer to a different setting altogether because they view that different setting as providing perhaps a better alternative.

I think there is a lack of awareness of other things. I'm wondering to what extent your needs analysis builds

in the life cycle of that public housing stock. I'm sure it does, and if it does, how do you build that into your needs assessment?

Mr Burns: If you're looking at a community's housing conditions, then obviously the amount of rental housing generally, the amount of rental housing that's in the social housing sector and its size, distribution, vacancy rates, all those things are ingredients into creating some assessment of conditions. Depending on the size of the community and how much analysis is appropriate to the proposition being made, that work would be done by someone looking at housing conditions in a community. Our model talks about looking at those features.

But the other half of what you're suggesting, which is that within the housing owned and operated by the Ontario Housing Corp there may come a day when it has to be replaced or eliminated or that sort of thing, that sort of analysis would not appear at this moment in any market analysis we're doing of a community.

However, there is within the Ontario Housing Corp framework, which is related, obviously, to what the ministry does—the Ontario Housing Corp is a corporation. One of their priorities is to look at the way they're dealing with their physical asset, if I can put it that way—many years of investment programs that were essentially annual in nature. The time has come in a number of places to look at whether you should be doing whole-building renewal as opposed to incremental renewal and whether in some cases there is a case for redevelopment, partial or even more broadly.

That policy work and the assessments related to it are things that are going on now within the framework of the Ontario Housing Corp, not within the framework of housing needs assessments that we would be doing, to see whether in a particular community, in Brampton, there's a case, given Brampton's housing market and growth rate, to add some more non-profit housing. We would not be looking at the Peel housing authority's stock in the way that you've raised in the second part of your question.

Mr Murphy: I think of Regent Park, for example, as a special, separate kind of thing, because it is a very large public housing community in a downtown area, built at a time when a certain model of providing public housing was predominant and which no longer is. If I can briefly sidetrack, if there is a community where some of your whole-building renewal ideas would be welcome, let me volunteer Regent Park as one we'd be glad to see you look at. In fact, I know there are people at work at that idea within the community who have had great progress in terms of getting community involvement in redevelopment and who have an idea extant, which I'm sure you're aware of.

Now that I've had my brief plug for that, I want to—

Mr Burns: Perhaps I could just for one second say that we are obviously aware of the Regent Park discussions. The most advanced ones, though, are in Moss Park.

Mr Murphy: Right, yes; it is in fact.

Mr Burns: That's looking at both redevelopment and whole-building renewal together in one place.

Mr Murphy: You've given us some information on waiting lists here, as your tab 8, and I have a summary for MTHA. Am I reading this right, that as of, I assume, the end of July, there were approximately 28,000 people on the waiting list for MTHA stock? I'm just trying to confirm that I'm reading that correctly.

Mr Schafft: The list you have before you, if it's the one that says "Summary for MTHA"—

Mr Murphy: Yes.

Mr Schafft: —that also does include what we call the seniors' housing registry. You'll see a number, a second grouping down, which is 7,009. That comes from that. In fact, if you subtract, that's the total waiting list for the Metropolitan Toronto Housing Authority. It's about 22,000, in that range.

Mr Murphy: What is not on there then is MTHCL housing.

Mr Schafft: MTHCL and Cityhome, whatever, yes, except for the seniors. The seniors population is—

Mr Murphy: Is all included here.

Mr Burns: This is perhaps a nice point, but all of the public housing in Ontario built and funded under those sections of the National Housing Act, owned and operated by the Ontario Housing Corp, except for roughly 15,000 units of seniors' public housing run by Metropolitan Toronto Housing Co Ltd. The 7,000 that Peter alluded to is related to the public housing run by MTHCL and by MTHA's seniors group. MTHCL has, on top of that, another 5,000 units of non-profit housing which is largely seniors and includes market units as well as deep core and therefore has other waiting lists attached to it than this one. Cityhome, again, with its 8,000 units, has another waiting list situation. It's not as simple.

Mr Murphy: The reason I want to talk about this is because I have some information that the Co-operative Housing Association has kindly provided to me. Their information, I gather, actually comes from CMHC. For example, in the fall of 1992 there was a real variation in the vacancy rate depending on the rent for the unit. Their information is that it's below 1% until you get to $800 a unit and then you start getting the real increases. This fits into an area that Mr Cordiano was going to follow up on.

Thinking back to Regent Park, for example, although I realize it is separate, but using that as the conceptual tool, if you're trying to build a set of units, create new

units, in essence, which is what non-profit housing in theory is supposed to do, and you're using market rents—I know the Provincial Auditor refers to market rent units as part of your demand assessment—obviously, it's a complicated thing because what you've got is a very low vacancy rate in that portion of the building that is going to be RGI units and perhaps a much higher vacancy rate in the units that make the provincial subsidy lower because those are the market units.

I've talked to some non-profit housing and co-op units about the problems of having that market rent fixed and being unable then to rent because that market unit rent is fixed and they haven't been able to drop it to be competitive with other units in the area. Obviously that has a complicated impact on the subsidy, but their argument is, "It's better for us to get some money at a lower rent than to get no money and have that fixed, higher rent." How is the ministry dealing with that issue?

1510

Mr Burns: If I could just add one more background ingredient to the quite helpful background that you just outlined, at the time a project opens there is an assessment done to determine what rents are in the marketplace surrounding a project, to determine in relation to that what the low end of market is and therefore what is an appropriate opening rent structure. Projects open each year and they open with rents related to market conditions at that time.

We've had obviously, in some parts of the rental market in the province, a stabilization of private sector rents, or even a decline, and some vacancies, quite a lot of different experiences. Some are just as you described; some are different from that. But in that context we've had a number of non-profits and cooperatives approach us and say, "We have to do something about our rents." In the opening going it met with resistance in the ministry—I'll be frank—because, without looking at other issues, it has dollar consequences for our subsidy flow. We wanted to make sure that people weren't taking what might be called the easy way out and just saying: "Gee, I've got a bit of a vacancy problem. Bingo, lowering rents is the only issue." Many non-profit housing providers have never been in a situation where they've had to market units, for example.

A number have also requested that market units be converted to units with shallow or deep rent subsidies to be available to households with lower income. We have accommodated a certain amount of that as well.

We have recently, I think in June or July, issued a bulletin to our regional offices saying that, given the market conditions that were worrying people are persisting in a number of marketplaces, regional offices are free to negotiate some rent changes. But in doing that, they should be working with providers on a number of fronts, not just on, "You ask, we do." Those fronts include looking at the mix in the project—we have some projects with very low levels of deep subsidy; for example, the ones that were done in the 1970s, something we discussed at length in March—marketing, to see whether people really have been telling people that the units are available and have been using some form of marketing method; and, third, we do take at least some look at general market conditions.

I think, even up to three months ago, the non-profit housing association and the co-op housing association were not totally satisfied with the ministry's response to these changes. By now they should be seeing a change in our regional offices and have a chance to work through things.

Mr Murphy: I'm going to ask one question and then let Mr Cordiano follow up. Just briefly, there's a reference to the operating costs for units increasing—especially the provincial subsidy costs increasing—over time. It could be a billion dollars by 1995. The operating cost issue is dealt with in this recommendation 12. It says here, "According to the ministry, public housing is more expensive than private housing in the areas of administration and maintenance." The question I have is quite specific: Is there a difference in the administration and maintenance costs as between private non-profit, municipal non-profit and cooperative non-profit in the areas of administration and maintenance expenses?

Mr Burns: There is a variation in all three parts of the non-profit housing sector. It varies by size of project, by whether the proponent is large enough to have professional unionized staff, by the nature of the tenants that they're serving, those groups with special needs. There's a difference between those who have new buildings and those who bought old buildings. There are a lot of other variables than the ones you just mentioned.

There's a long-standing argument in this sector about this, with the cooperatives arguing that they have lower administration and maintenance costs than the other two sectors, based on the amount of volunteer time that they have and based on the general proposition that they are less engaged in housing special needs groups as their main purpose. They often have them within the community. They have some support in national studies that this is true, that they are a lower-cost operator. But I think more generally, if you ask people, you'd find it something that people would want to debate.

The absolute dollar amount that we transfer is lowest for cooperatives, but I don't know whether that's because they're the more efficient managers, or because they have a different scale of project and tenant profile, or a mixture of both. I'm not sure there's an objective answer to the question.

Mr Murphy: Okay. I'd better leave some time for Mr Cordiano.

Mr Cordiano: There isn't that much time left. I have a lot of issues to get into. I want to know from the Chairman, what time do you intend to go till?

The Acting Chair: I understand we go till 5 o'clock.

Mr Murphy: We'll have one more round.

The Acting Chair: We'll have one more round of 20 minutes each.

Mr Cordiano: All right, because some of the questions I'm going to ask I'm sure will lead to lengthy answers.

Let me just start with this question, where we left off with RGI and number of buildings. It seems to me—

The Acting Chair: If you run into that problem, or any other member does, perhaps the way to deal with it would be to ask the people, if it's going to be a lengthy answer, to give us a written answer.

Mr Cordiano: No, I don't think that would satisfy my concerns. I would rather have that on the record. Anyway, can I carry on with this question? With regard to the market rent units, I have a great deal of concern, given the policy pronouncements in a document that was released in May, and I guess it's your program overview document, wherein—let me see here, I just had it here; I'm quoting from the document—"Non-profit sponsor groups will have to be sure that their selection/recruitment systems are balanced more towards responding to the needs of applicants on the waiting list than to achieving fixed targets."

I'm interpreting that to mean, then—and it follows with what you're saying—that the pressures that are there for projects to fill these market units are giving wide latitude to sponsors to fill those market units with rent-geared-to-income tenants. To what extent is that happening? I need to get a better handle on just what that means, because obviously that's going to increase subsidy levels. That was touched on by my colleague earlier. But I would appreciate, more specifically, what is currently under way, what pressures there might exist for the new allocations particularly, because obviously there's a whole new allocation that's coming down the pipe that was just announced. If those buildings are going to be facing these pressures with respect to market rents not being competitive, then what can communities anticipate with regard to entire buildings being subsidized and changing the very nature and concept of the non-profit housing program? That is a very major concern for me and our party.

I must say, just as an endnote—and I don't know if you'll have enough time to answer this—it led to our calling for a moratorium. Part of the reasoning was that there was a problem with the way in which the concept of the program would work.

The Acting Chair: I'm afraid there won't be time for that answer, Mr Cordiano. Would you like them to save that for the next round or answer it in writing?

Mr Cordiano: We can save that for the next round.

1520

Mr Tilson: I know the committee had some discussions about taking a tour of some of the non-profit groups, and I hope that the committee still has that on its agenda to do, because, as I indicated for the last round of questions, I did take the time to look at a number of non-profit housing developments in Toronto. I referred to the first one. I don't have copies for all the committee members but I did mount them on cardboard like I did for the first one, for Waverley Road.

There's a second one, Mr Burns, I'd like you to look at, and I'm sure you have not seen that one too, but I would like to show you this. We can make it available to you. This is a building that's on Pembroke Street, just about five minutes east of here, and it's a corporation that's—Operation Springboard, actually, is the name of it. The total capital cost for this structure was a little shy of $5 million. There are 60 units, and if you look at it, if the committee were to take a look at this, you would see that they're all very small rooms. They must be. I didn't get inside to see them, but I did walk around the building, and for 60 units—it is a special-needs building, and the cost per unit is $81,300. Perhaps you can make that available to Mr Burns and the other members.

The question I have, since it was a special-needs project, Mr Burns, what discussions do you have with other ministries when you're talking about putting up non-profit developments such as this, which is for a special-needs building? At least I believe it is. What discussions do you have with other ministries as to whether this is the highest and best value you can get for assisting these people?

Mr Burns: There is an interministerial process for discussing the relationship between—if I can use simple terms—bricks and mortar and support to people. If memory serves me, this goes by the felicitous acronym of CARP. Does anybody here want to talk about CARP? Do we have a CARP expert?

Mr Tilson: I guess they caught all they could last weekend.

Mr Cordiano: Another fish story.

Mr Burns: There is a joint process at two levels. One is to relate the general program delivery planning activities of the ministries that are providing support dollars and ours, and the other is at the level of individual projects. It's been running for some years, I think, actually.

Mr Tilson: I'd like in due course for you to tell me a little bit more about it. Perhaps now might not be the time, because I believe we're going to be spending some more time on non-profit housing as the months unfold. But when I look at this, which is for 60 units—I

believe it's a project for men. I don't know whether any member of the government is familiar with this project, and I don't know a great deal about it, other than the fact that it cost $81,300 per unit.

The purchase price was $1.8 million. The interest on land from start to construction was $54,000. The interest during construction was $211,520.

Those facts seem to surface on all the developments, where substantial amounts of money are spent on interest, either during construction or from the time of purchase to the time of construction. In this case, as I say, the interest during the construction was $211,520 and the interest on land to the start of construction was $54,000—again, a lot of taxpayers' money that's being spent, and whether this is the best way to do it. Has your ministry every looked at this and the great amount of money that is obviously being spent on interest alone?

Mr Burns: Your observation that there's interest charged during the development process is accurate. That's the case in every project we support. Have we looked at ways of minimizing that, at giving people access to inexpensive construction finance, trying to find ways to have projects move at a faster pace? Yes, we have. Is the development system in this province a quick-moving, inexpensive process to deal with? No, it isn't. So there are some projects that take a while to complete all the stages of development, of planning, construction and the rest of it, and those will have significant interest costs attached to them.

Mr Tilson: Some developments obviously cost a great deal more than others: I mean, the Waverley one that I asked in my first line of questioning of $318,000 down to others which are much lower. Do you have a system to determine how much you're going to spend on a building and how much you're going to spend on construction, considering the amount of people you're going to be serving?

Mr Burns: The programs have always had capital cost controls. I think we talked about them earlier on. The program delivery system in this province and in every province has used the federal-provincial capital cost control system called the MUP, maximum unit price, from the beginning. There are cases where the MUP is exceeded. If the facts of that particular one that you presented are borne out by an assessment, then obviously it exceeds the maximum unit price by a considerable amount.

Mr Tilson: Well, the MUP on the Waverley one is $1,257,456. I guess I just can't get it through my head. When you spend this amount of money, in fairly exclusive areas, for social housing—we're trying to assist people who are having housing problems, and people are just shaking their heads when we see power of sales and foreclosures going on around this province and then we see units at $318,692 per unit for a Waverley and this last one I just gave you, a room—one room—at the Pembroke Street one at $81,300, basically one room. I will admit I have not been in them, but I look at 60 units in a building that size and it can't be much more than one room. If I stand to be corrected in due course, that's fine.

I guess I look at the overall concepts. Do we just take applications as they come in or do we have some sort of system as to, how do we assist people? I'm quite aware of the term "MUP." I'm quite aware of all of that, to be perfectly frank, gobbledegook. I guess I look at the solving of a social problem of housing and determining the rationale for spending that kind of money. Any comment?

Mr Burns: We have systems in place to put a framework around costs. That has developed over time. It's more sophisticated now than it was four years ago and in the next program will be more sophisticated yet. The assessment that we've done in our view demonstrates that the program's delivery costs have tracked market conditions over time, looking at the whole program.

The final part of your question, which I take it is asking about broad choices within housing policy—why favour one option over another?—I think is a matter of broad housing policy and I don't think it would be appropriate for me to comment on it in this forum.

Mr Tilson: Sir, I am quite aware of the fact that you're given a particular government policy to follow. That's your job and I understand that. My submission is, particularly when you look at some of these facts, and it's just a few of them that I'm passing around, the system isn't working. The very fact of your admission on Friday as to the way in which you choose whether you're going to go into a particular area is that you determine from the particular applicant, in other words, the developer, as to whether a need is there: It's very easy to establish that. You could look at the waiting lists in particular areas and see they're weighted down. But at the same time, do you think those developers are going to actually look at all of the vacancies? The answer is no, that you need to have a substantial assessment of the housing needs in a specific development, to look at all of the vacancies, not just in non-profit housing but in private enterprise, non-government-run housing. That's the only way it can be done, and I know I'm getting into policy with you, and that's unfair.

1530

I'd like to change to another topic, Mr Burns. It has to do with the topic that was raised by my Liberal colleagues, and that has to do with the vacancy rate problem. It's being alleged, and I believe accurately so, that the province of Ontario, the Ministry of Housing, is essentially undercutting the private sector with respect to rentals. For example, there is a brand-new Cityhome project which is in the Bathurst-St Clair area, and it is

just finished renting up. It's just been completed for rents. The rents for these new, good-sized, all-utilities-included units are less than the average rents quoted in the CMHC's October 1992 rental market survey. I'm going to list the ones for the Cityhome project and then I'm going to list the ones from the survey taken from CMHC, which gets back to my question as to whether you even look at those surveys. I question with how much accuracy you do do that, and I don't mean you personally; I mean the ministry officials.

At 1400 Bathurst Street, which is the Cityhome project, a bachelor apartment costs $415. The CMHC survey for the city of Toronto as of October 1992, which is a year ago, I'll admit, but I don't think a great deal has happened in a year, is $501, which is about $100 difference. A one-bedroom at the non-profit development is $632; a one-bedroom under the CMHC survey for the city of Toronto is $637. It's a little closer. A two-bedroom for Cityhome is $777; for the CMHC survey it's $847.

Obviously, we're looking at subsidies that are being paid for non-profit developments and we're looking at what private enterprise is charging. There is a substantial amount of undercutting. That's been alleged, and that's been alleged in the House and that's been alleged in the media. Having heard those allegations, not only in the media but in the House, can you comment on those allegations as to the undercutting that is going on in this province with respect to non-profit housing and private enterprise rentals?

Mr Burns: I think it's important, in looking at the data that you've presented, to remember the geographic areas they relate to. If I understood the CMHC data you presented, it relates to the city of Toronto as a whole.

Mr Tilson: Yes.

Mr Burns: The city of Toronto as a whole is not one rental market. Yonge and St Clair is radically different from Queen and Dunn, which is different in turn from High Park and Bloor. The opening rents set in a project that we're supporting have to be related to the market they're actually in.

Mr Tilson: Could I interrupt you on that?

Mr Burns: So the market that's relevant is the one in that community.

Mr Tilson: Do you have facts on that that you can make available to the committee?

Mr Burns: What, that the rent structure in the city of Toronto is variable?

Mr Tilson: Yes, as to the variance between area to area and what that variance is. What source do you use to get that?

Mr Burns: We will provide you with everything we've got that breaks down rents within the city of Toronto to whatever level we can get them.

Mr Tilson: How do you get that information?

Mr Burns: CMHC itself, while they publish at one level, actually have data collected at others.

Mr Tilson: So your information would come from CMHC.

Mr Burns: There are other people who survey market data as well, so we will look at—

Mr Tilson: Who are they?

Mr Burns: We have a methodology for looking at rents in a particular district which we use at the opening of a building. So we do it ourselves as well.

Mr Tilson: How do you do that?

Mr Burns: It's based essentially on looking at the market within which a building is operating. It's actually often a matter of some debate between a proponent and the ministry, but you have to choose some comparables that relate to the building itself.

Having said that, the second question about how a building like that relates to the market is to remember this. That building, in my memory, is a little over 100 units, but let's say for the minute that it's 100. Within the Cityhome program, normally 40% of those units are for deep core need households, rent geared to income, households that are in poverty, essentially. Another 40% are offered to people who are eligible for shallow subsidies. So, in the normal course of events, only 20 of those units would be "market" in the sense that we're discussing it. In my view, 20 units in the rental market at Bathurst and St Clair, of the city of Toronto more generally, is an extremely small proportion of that marketplace. It's not just Toronto where this regimen is taking place.

You asked me to say if I felt that our assessment was that—what our assessment was more broadly, so I think I would argue that in the city of Toronto the number of market units, as opposed to what the rents are on the surface, is pretty modest in relation to the whole supply and has a modest impact on the whole market condition. There are communities in the province where vacancy rates are not clustered just at the top of the market, as Mr Murphy said is true of Toronto, but are more broadly distributed, where there's not a large number of private rental units and where an individual non-profit or a group of non-profits would make a more significant impact on the total amount of rental housing and on market conditions in the sense that we're discussing it. Those are communities where, under our program, someone who proposed to build non-profit housing is subjected to a much more rigorous test of housing needs.

Ms Harrington: I was quite surprised a few minutes ago when I heard Mr Tilson talk about gobbledegook, I think referring to Non-Profit housing and how it operates. I know he represents Dufferin-Peel and certainly Peel non-profit, I thought he would have some

appreciation of how they operate, how well they've operated over the past decade or more and what they've done for that area that he represents.

Mr Tilson: I'm saying we can do it a lot cheaper, Margaret; that's all I'm saying. You can do the whole process of in non-profit housing—

Ms Harrington: That's what we're trying to do.

The Acting Chair: Through the Chair, please.

Ms Harrington: I spoke earlier about some of the auditor's concerns. The last topic I addressed was the land acquisition process and I'm wondering, Mr Burns, if you could tell me: Do you feel personally that what you explained to me about what you're doing with the land acquisition process satisfies our auditor?

Mr Burns: Well, I'm not going to speak on behalf of the auditor, and I ask—

Ms Harrington: I'm asking if you are going in that direction to satisfy him.

Mr Burns: I will answer the underlying question, if I can put it that way. We have not spoken to the auditor about that particular methodology. I just asked Peter whether that was the case. We haven't consulted his staff directly. We chose to change it because we think it gives us a much better and much more responsive methodology for dealing with capital costs and for having a cost-effective program. In that sense, we think we're trying to address not just good program delivery objectives, but the kinds of objectives that the auditor suggested in his report should be embedded in our administrative practices. So, from our point of view, we are trying to address that issue, put in our terms and in his; but we have not, as far as I know, sat down and exposed that methodology to his staff nor asked him for a specific comment on it. So I wouldn't want to speculate on their assessment of it until it's done.

1540

Ms Harrington: I would like to ask the auditor, Mr Chair. Would it be better at the end of our afternoon?

The Acting Chair: If you wish to ask now, it's your time. You can use it in any way, shape or form.

Ms Harrington: I know last Friday I had another question of the auditor as well, but let me just place this one at this time: With what you've heard from Mr Burns about this process, does it go in the direction that you are asking for?

Mr Peters: Just from what I heard, we of course as auditors always have to examine and get together on it, so we'll probably do that. There is one concern that I may raise in this connection, and that is that in the response the committee received in this regard, there was some indication that there would be a review with the Management Board secretariat. There is one brief concern on my part with that, on our part in the Office of the Provincial Auditor, and that is that the Management Board secretariat or the Government Services of course deal with these issues on an expropriation basis. They're dealing with the level of money they would pay to somebody whose property they expropriate for the better public good. I'm not sure yet, I've not reconciled in my own mind, and in our opinion, whether really non-profit housing falls into the category that it really is deemed in the expropriation of land from somebody for a better public use. I don't know whether the choices are there or which way this system ought to be going.

Also, I'm not sure whether that is the indication or the inference that I should take from the comment that this matter will be discussed further with Management Board. But if the indication is that it is a matter of following the same policy as if the land were to be expropriated, then I have some concerns about that.

Ms Harrington: I understand you would have.

Mr Burns: It wasn't our intention to compare our practice to expropriation practice, but to the practice that MGS follows in buying and selling in ordinary market transactions, which it also does. I don't think this is necessarily the forum to talk about expropriation practice and whether appraisal methodologies are the same in all those different realms; it wasn't our intention to create a comparison between our program and expropriation practice but rather with marketplace transactions which MGS is also involved in.

Ms Harrington: Thank you for that clarification. I wanted to get into, I think, an important area for the future, and that is the ongoing operations and what I call management to maintain the quality of the buildings, whether we're talking about non-profit or co-op, over the many years, the 35 years or more. I think management is essential and I'd like to particularly look at, say, the co-op sector. Here we have people who are managing their own units. As a governing body they make the decisions about the maintenance and the cost of their units and what's going to be done on a month-to-month basis, what's going to be replaced. Really, they make decisions on how they get along as a community as well, and I think it's very important that they have that power to be a community and to make those decisions. I think that's the essence of a co-op.

My question is, to get to that point where they can have the expertise to work well together as a co-op, sometimes there needs to be an educational process, a training process. Do you see that as part of operating costs?

Mr Burns: Yes, absolutely.

Ms Harrington: Can you give us a few more details?

Mr Burns: We provide financial support to the training needs of the social housing sector in a number of different ways. First, we provide specific training and development funding to the provincial organizations to

develop curriculum and materials and to hold workshops and training sessions of various sorts for directors and for staff people.

Secondly, an ordinary non-profit or cooperative budget would contain within it training and development funding. So people on their own side would make choices about the kind of training and development that the directors and staff should have beyond what may be offered by the provincial associations.

Third, we've been supportive of the development of a number of curricula in the province and other places that are related to non-profit and cooperative housing. There is a community college-based property management curriculum which is used to train a number of people in the non-profit sector. There is an Institute of Housing Management which, while it focuses on management and training within the public housing sector, has some relationship to the non-profit and cooperative sector. I think in the next year or two you'll see more of a relationship between those things.

In addition we have funded, supported, a couple of quite interesting specific training centres. The City of Toronto Non-Profit Housing Corp has a comprehensive training centre, field staff, that's not just technical but includes an exposure to human rights issues and to community relations issues, even for people who are cleaners and superintendents, in order to try to ensure that everybody who deals with the very diverse public that we have out there these days has some appreciation for the issues that are likely to arise.

So we do provide funding now through all those sources and we've had some discussion under way about whether, in the next number of years, we can draw together some of those different threads and through the Institute of Housing Management, the community college system and the internal training programs of the co-op sector and some of the nonprofits we can do something that's even more broadly based than what we now have.

I should perhaps just say briefly as well that the annual conferences of both the industry associations and the social housing sector always contain a large number of training sessions and the provision of educational materials.

Ms Harrington: One other thing I'd like to maybe get your thoughts on—maybe I shouldn't; maybe this is policy. Last night, I was at a very interesting speakers' event, and David Crombie was one of the speakers, about conserving the environment with regard to tourism, and we had some people from Europe there who are also interested in this. Instead of building housing projects on the green land, the question of intensification and the direction that we as the Ministry of Housing and our own housing projects are—I shouldn't say that; it's the non-profit housing. Do we have any policy about whether we should intensify land use as opposed to going out to greenfield use?

Mr Tilson: You can put them on Toronto Island.

Mr Burns: I think, if memory serves me, one of the policy objectives of Jobs Ontario Homes, as indicated in the material we've published, is to support proposals to build housing in existing communities, non-existing infrastructure. That's one of the policy goals we're trying to respond to in designing our program delivery.

Mr Murphy: Would you care to volunteer Regent Park?

Ms Harrington: I believe my colleague has a question.

Mr Robert Frankford (Scarborough East): I was struck by the building that Mr Tilson showed, which I don't know anything about, except it says that it's run by Operation Springboard which, if I'm not mistaken, is for discharged offenders.

Mr Burns: Operation Springboard is an agency whose mission is to serve released offenders. That doesn't mean that everyone they house is a released offender, but that's the agency's mission, as I understand it.

Mr Frankford: I'd be interested to know more about this building or other projects they have because one of the questions I hear all the time is around the supposed impact of housing which, whatever the term is—some of the terms are quite tendentious, "assisted housing" or "social housing," which unfortunately get used as phrases for something undesirable. It would be quite interesting to know about the impact of this particular building. In my riding I often hear concerns about crime, and it would be interesting to know the impact of a building, which actually has ex-offenders, on crime in the area and on the rehabilitation of those offenders.

1550

Mr Burns: There is significant literature on the community impact of non-profit housing generally and there may be some literature as well on impacts of housing intended to serve particular subclient groups: the elderly or other people at risk or people from backgrounds you just described.

As for this particular project, I don't know that anyone's looked at its community impact, to be honest. I think it may be Mr Murphy's constituency, but you've asked the question and we'll check and see if we have some material on that.

Mr Frankford: I think from my point of view in Scarborough East, anything that would lead to better-informed discussion about the whole topic will be very helpful. One does hear very frequently very simplistic arguments about the impact of housing, which is often called social housing as though it were in itself a problem instead of being a solution.

Mr Burns: At one point in my professional career

I was the director of neighbourhood planning in the city of Toronto, and when discussion was going on in a community about the proposed introduction of a new project and those kind of questions arose, one of the things we often did was put folks on a bus, take them to a few and when we went and looked at the places, we let them go and knock on the neighbours' doors without anybody else there, no city staff, no proponent staff, and just ask. Out of that kind of experience came, I think, a much more focused discussion about the impact of projects as opposed to one just based rather on apprehension. So I think there are ways of getting people to have some appreciation for what projects like this will or will not be and what kind of issues really deserve focus.

Mr Frankford: I'd be very happy if this committee took a tour of Mr Murphy's riding and my riding, wherever. I think we could learn a great deal about the types of housing that we're talking about and its impact on real needs in our ridings.

Mr Wiseman: I'd like to begin by taking a look at the costs that are being built into some of these projects. Have you done any studies or do you know of what it costs, what has been added by municipalities for site plan approval, site plan grading and facades and landscaping? Do you have any idea if it's more for affordable housing and less for the private sector? Do we know any of this?

Mr Burns: I don't think there's any one answer to that because the variance in municipal practice when it comes to development standards is significant. I think the only evidence anyone's got about this stuff is fairly anecdotal.

Mr Wiseman: Okay. When I noticed the cards going around from Mr Tilson, there is the section of fees. How much control do you have over these fees? For example, I understand that architectural fees are on the basis of a percentage of the total construction costs. Is there any way of getting around that, or how can we bring those fees and application prices down?

Mr Burns: On the professionals directly related to the building, if I can put it that way, the architects and the engineer, if it's a multistorey building, the professional engineers' association and the Ontario Association of Architects have standard fee schedules, but for some time nobody building our projects paid those things. We've essentially moved to a fee-for-service system. It's not a fixed rate related to the size of the building, which has tended to be the way they preferred to have their fees arranged.

On the side of development consultants or development coordinators, we had a long discussion on this in March and I indicated that while historically, federally and provincially all over the country, a guideline of 2% had been used, much the same as there used to be a percentage guideline for architects, we've moved away from that towards a fee-for-service basis. The average had dropped in that one, just to give it as an example, from around 2% of the capital cost to around 1.5% as a result of moving to a fee for specific services as opposed to a fee related to capital cost. Architects and engineers have had the same experience in our program; that is, their fees have dropped.

Mr Wiseman: On page 3 of the information that you gave us today, tab 1, you've indicated here: "Municipalities where there was a high vacancy rate in the private market were put on a restricted list and were not allowed to apply for units even if there is a need for RGI units. The new distribution model takes into consideration the demand for market units in the total allocation of non-profit housing throughout the province."

In every community there are some families that cannot afford even the lowest rent that is created by the market situation. Have I read this correctly or do you have some other mechanism that would allow for those kinds of families to find accommodation within that area, even though its vacancy rates may be high enough not to allow it to have that?

Mr Burns: I think, if you'll remember the discussion in March, in the December proposal call we actually refused to entertain any application from a number of municipalities where private sector vacancy rates were high, as revealed by the CMHC data. We didn't look any further into that, to look, for example, at the kind of issue Mr Murphy raised about whether that was concentrated at the top end or the bottom.

What this paragraph says is that that kind of blanket ban has been removed and replaced by a requirement that you be clear about local market conditions. So you could imagine a community where vacancy rates for units above $1,000 a month might be 10%, but below it, it might be 2% and below $800 it might be next to nothing. That's a more subtle assessment of local market conditions.

We could also imagine a community where there might be high vacancy rates across all sectors—size, price ranges. There may still be room in that community, for example, for a special needs project with these subsidies for a particular component of the community, even with those broader market conditions. What we've done is simply said if you want to make a case like that, there is room to make it, whereas back in December we didn't take applications from Windsor or Kitchener and a number of other communities at all.

Mr Wiseman: Can we turn now to tab 4, "Work Plan—Cooperative Project Operating Agreements"? In paragraph 6 it says: "The fall of 1991 brought two major exercises which are closely linked to the operating agreement: the consultation on A Housing Framework for Ontario and the non-profit program review. In its response to the framework paper, CHAO sought

greater autonomy for the co-op sector, while through the NP review, treasury board asked the ministry to look for ways of increasing fiscal control and decreasing expenditures. The goals of the two exercises seemed to be at odds with the operating agreement as the means to one end or the other."

The next line is, "The agreement is finalized and individual operating agreements are being signed."

A criticism that I have heard of this is that by creating this agreement we may be hamstringing some of the cooperative movements from being able to find savings and have that money invested in their own way. Maybe you could give the committee some idea of what's in these agreements and whether or not this criticism that I have just brought forward is in fact accurate.

1600

Mr Burns: I think there are three different parts of this that are worth touching on. First, it was the negotiating position of the co-op housing movement for the term of a particular part of the operating agreement—five years, some term like that—that their financial arrangement with the province should be fixed and not subject to change on our side. It's our view that budgetary decisions are made annually, and we had to have some residual ability to reflect our real fiscal situation in our financial relationship with them. That's really what that paragraph alludes to: two different perspectives.

In the end, what the agreement says is: In ordinary times there will be a stable, predictable relationship, but in extraordinary times, the province has the right to reflect its real fiscal situation in the budget relationship. So in effect it was a compromise, put it that way.

Now, because of the fiscal situation this year and last year, we've created some significant restrictions and reductions in the transfer payments we make—I shouldn't use "transfer payment" because that raises a whole other host of questions. The money we spend to support non-profit and co-op housing, we've made significant reductions in it. That has reduced the budgetary flexibility of non-profit and co-op housing operators, there's no question about that, and therefore it's reduced their capacity to make choices themselves. So yes, you do hear them arguing that we've done that, and it's not an argument, it's a fact; we have.

However, we're in the middle of a process of change; we're not finished. We talked a little bit about changing the design and management of what are called the replacement reserve funds on Friday. We've also been talking about trying to change the operating budget relationship so that it does create some incentive for individual housing providers to find savings.

To be frank, at the moment the incentive—and this has been true from the beginning of the program; the same thing is true in public housing—is to spend to your authorized budget relationship, whatever that is, because if you spend under it, you're supposed to give 100% back to the ministry, and if you spend over it, you have 100% unfunded deficit. Certainly, when I was in that business, that's what we tried to do: spend all the allocation we had.

In a world where seeking systematic savings is fundamentally important, we ought to be moving towards a budget relationship that has incentives built into it, so that if you do productively find savings locally, at least in part it can go to local priorities. We haven't done that yet, worked through how that might happen, so you will hear in individual communities from non-profit and cooperative housing providers that they're feeling a little hard done by in their financial relationship with us. Yes, we've been tough on them, but we're not finished the process of change. I think at the end of it we will see emerge a situation where if they do find local savings, they'll be able to retain at least a portion of that for their own priorities.

Mr Wiseman: Have we run out of time?

The Acting Chair: Yes, you have.

Mr Tilson: You shouldn't have asked.

Mr Wiseman: I like to be fair.

The Acting Chair: I don't know whether committee members want some time at the end of the day to talk about instructions we might give our research officer and how we're going to deal with this or whether you want to do that on another day. If we go another 20-minute round for each of the caucuses, we won't have time to do that.

Mr Cordiano: Mr Chairman, if I may, the clerk's not here, but do you have a schedule of the rest of the week before you, because we do have an additional period of time for us to discuss those matters. I think it was prearranged.

The Acting Chair: I'm told we do.

Mr Cordiano: Yes, okay, it was Thursday that we—

The Acting Chair: Wednesday or Thursday.

Mr Cordiano: So that is the time that we would have for that.

The Acting Chair: Is it agreed that we'll continue the rotation, 20 minutes for each caucus?

Ms Harrington: I understood that once we were getting towards the end of today when we finished questioning the ministry folks it would be presumably the time to look at the draft report and make our decision as a committee on the report.

The Acting Chair: We have some time on Wednesday at 2 o'clock. We'll be in closed session; we could discuss it at that time. I presume the reason all the caucuses would like to use the balance of the afternoon to ask questions is that we will not have these gentlemen back again and we want to use it to the fullest.

Mr Tilson: Quite the contrary, Mr Chair. I hope we will have these gentlemen back.

The Acting Chair: We will, but not during this week, in any event. So do we have general consensus that we continue the questioning? Unanimous consent?

Ms Harrington: I would have thought that this committee has other work to do for the balance of the week and that we should be looking at this report today.

Mr Cordiano: If I may, Mr Chairman, because I'm in this awkward position, in our subcommittee we had scheduled the time on Wednesday to do just that and to order our work for the future. It was built into the plan that we would do that, and today was left for questions entirely.

The Acting Chair: I will inquire once more: Do we have unanimous consent to continue with the rotation?

Mr Tilson: I don't think we need unanimous consent. This committee passed a resolution that this is the procedure we would follow, as Mr Cordiano has indicated.

The Acting Chair: Fine. Then we'll proceed. We're cutting back on the time that each caucus will have now if we're going to end at 5. We will each have 17 minutes a caucus. The official opposition will start.

Mr Cordiano: Thank you, Mr Chairman. Just to carry on, I think at the last round, an hour ago or so, I had started a question that dealt with the whole question of market rent units. The policy has now changed, as you pointed out earlier. I was trying to get at just how far this policy change would go and specifically if there was a consistent policy that would be followed or you're doing it on an ad hoc basis, project by project, and how that fits into the overall game plan of the ministry, if you will, in determining what subsidy levels there might be, increases in the subsidies, and if you had provision for that.

Mr Burns: There are three different remarks I should make in response to the question that you asked some time ago. The first has to do with looking at existing cooperatives and non-profits. We talked a little bit about this in March, so I'll be brief. Of ones built in the 1970s, a lot of them have only 25% rent-geared-to-income and 75% market. More recently, 40:40:20, which I described earlier, would be a typical model; 50:50: 50 deep, 50 shallow; one third, one third, one third—you see models like that.

Mr Cordiano: If I may, the minister has announced a new policy with regard to the new allocations. Is that not correct?

Mr Burns: I'll come to the specific question you asked about the guidelines in just a minute.

Mr Cordiano: Okay.

Mr Burns: Five or six years ago the government of the day—and it continued on till recently—set aside funds to allow existing cooperatives and non-profits to raise the amount of rent-geared-to-income housing we had in a particular project. In the case of a Cityhome project done in 1976, you might be able to raise it from 25 to 35 by using that supplementary funding. That's the kind of supplementary funding we've made available to a number of people who've run into vacancy trouble, where raising the RGI component doesn't turn it into 100% RGI but raises it from what historically might have been a relatively low level. That's the first theme.

Secondly, the Jobs Ontario Homes program does contemplate, in the whole program, market units, shallow and deep, but as Homes Now did, it would allow an individual proponent to apply for 100% deep core in a particular case, or those other models that I alluded to. That hasn't changed. But up until Homes Now, your plan for distributing the type of units you had, your targeting plan, was a fairly rigid requirement, to the point where you even had to tie it to units. Sometimes you'd have to actually exchange letters with our regional office if you wanted to change it around. That sometimes created problems at the point of entry, where some poor household would be standing at the door and the non-profit would be saying to them: "I can't let you into that unit. Our targeting plan would be bent out of shape by one unit." The applicant wouldn't know that the proponent could write to our office and get a little trading around; it's all at the margin.

1610

What we've now instructed people to do in this exercise is not to behave rigidly. We will be able to accommodate at the margins. That's different from saying we're moving to a 100% RGI program; we are not. But we are saying that the targeting plan and the relationship there, which by practice was a little bit flexible—but you had to write back and forth—should become practice at the point of entry as well and a household not be denied out of small margins and budget arrangements.

Mr Cordiano: Just to add to that, I guess, then, it would follow that you're allowing for adjustments to be made with the market units. You commented on this earlier. To what extent that would unfold is obviously going to be a function of the marketplace and just how much demand there is for those market units.

Mr Burns: Yes.

Mr Cordiano: This is all informal; of course, we don't have the ability to collect data as you might have. But again there seems to be a problem with those market units, and the adjustment that you're going to have to make downward in terms of the price structure obviously affects your subsidy levels. How far are you adjusting those, and what do you foresee for new allocations, the new allocations being forecasted or the new allocations that have been actually decided on?

Mr Burns: Yes, they are lower. By how much? It varies by market. Just to go back to the case of Cityhome, which I happen to know reasonably well, between 1974, the creation of Cityhome, and now, Cityhome has been through two previous periods when it had significant market vacancies, when it had to mount a marketing program to deal with the issues that we've just been discussing. As their problem built up, they revived what they had abandoned, what they didn't need in the late 1980s, which was the capacity to market. They don't just do that by advertising. They actually have been phoning through waiting lists and doing a whole lot of outreach types of things.

They had also talked to us about rents in some markets, and they've also talked to us about rent supplement, if you want to use that term, or raising the number of RGI in some of their oldest projects where the proportion is low. Their strategy is based on a number of different pieces. They're a big organization; a small one might only have to use one or two bits. I don't have a single number to tell you to confirm those.

Mr Cordiano: No, I'm not looking for that. I'm looking for a policy which you've determined would be one that allows for flexibility to adjust to the marketplace. Am I to understand, then, that if Cityhome applied for adjustments in rent levels for those market units, you would accommodate it?

Mr Burns: We wouldn't necessarily accommodate them, but we would certainly have a discussion about it, because we still have the other problem, which is that the incentive kind of runs in the direction of their getting their rents down as far as possible because money is on our side. We want to make this a real adjustment, not just administrative convenience, real in the sense that it's got a relationship to market conditions.

Mr Cordiano: Am I to understand, then, that you would try to maintain that market component—

Mr Burns: Yes.

Mr Cordiano: —but you wouldn't necessarily allow for rent adjustments downward? What is it exactly you're trying to tell me? I'm trying to get a sense of it.

Mr Burns: You said they could apply and we would accommodate them; I said they could apply and we might accommodate them. They've got to make their case.

Mr Cordiano: You would look at it on a case-by-case basis.

Mr Burns: Yes, that's what we're doing.

Mr Cordiano: So there's no set policy, in other words, for determining at a certain level of market—

Mr Burns: There are the things that you have to look at, the elements of judgement, but there's not a sort of rule, like everyone can have 5% off. You have to look at these issues.

Mr Cordiano: I understand that. But if I were observing this and trying to review what you have done in determining that, then I would have a difficult time trying to come up with conclusions that were consistent. The best you could offer me is that this would be done on a case-by-case basis.

Mr Burns: As it is in setting the opening rents in a project. We have a methodology that every case has its own outcome. We just had Mr Tilson describe one of them.

Mr Cordiano: That's fine. I can appreciate that market conditions vary right across the city, as a matter of fact.

Mr Burns: We have to be consistent in our methodology, but the outcome has to be related to the market conditions.

Mr Cordiano: Yes, and that's what I'm trying to get at, the methodology. I'm trying to say if you have a consistent way of approaching that, then it would be understandable as to how you adjust that, given the market conditions that exist at the time in the particular segment of that market.

Mr Burns: If it would be helpful, I think we could give you our guidelines of field staff.

Mr Cordiano: That would be helpful.

I'm not going to go into some of the areas that you've touched on here, but they're very pertinent. I'm going to leave those. We wanted to talk about operating budgets and how many were approved, how many were still outstanding, but we're going to come back to all those issues, so some of the issues we're talking about today are some of the unanswered questions that I had on an ongoing basis with a non-profit program.

I want to turn my attention to the whole question of the allocations for this year, the announcement that was made several months ago with the new allocations. I believe it was 5,000. I don't have the program announcement right in front of me, but you know what I'm referring to.

Mr Burns: We issued a call for proposals under the Jobs Ontario Homes program around June 1 for a universe of 5,000 units province-wide.

Mr Cordiano: Yes. How many of those allocations have been taken up so far? Have you got any indication of that or is there an assessment of that?

Mr Burns: This particular evaluation process differs from the ones we've had in the past in that it has two stages. In the first stage we evaluate the group, organization, institution, company that proposes to develop a non-profit or co-op housing. If they survive that review, we will then look at their specific project afterwards. In other words, we've taken those things apart. We're funding sponsoring groups, not individual development sites.

It was the subject of some speculation whether we would get a whole lot of submissions from sponsoring groups or whether we wouldn't. We got a whole lot. We got submissions from 550 organizations wishing to sponsor non-profit or cooperative housing. We're evaluating them. We're trying to create a situation where we only let those groups we have confidence in as sponsoring organizations through to the level where we're evaluating their specific developments.

Mr Cordiano: You've gone through the evaluation process?

Mr Burns: The process of evaluating the individual sponsoring group submissions is almost over. It may be over in some parts of the province outside of central Ontario. At that point, we will be looking at the specific development proposals of the groups that are successful as proponents. Some of those may be connected to development proposals that are in very good shape and ready to go; others may not. It may take some time. At that stage, decisions will be related to the real conditions that surround the group.

Mr Cordiano: Will the new model for demand analysis that you're utilizing be applied to this allocation?

Mr Burns: Yes, it's being applied now. One of the things that you have to do to convince us that you're an adequate sponsoring group is demonstrate that you've got a need within your market. It's part of what you have to do to respond to the big grey book that we gave you. Our evaluation criteria are one of the things in the big package you got today.

1620

Mr Cordiano: Yes. I realize that. I'm not going into that in any detail.

Mr Burns: If you have groups in your own community who've put themselves forward, we're evaluating them as sponsoring groups and the case that they have made in that particular community, just to use your own community as an example.

Mr Cordiano: So your demand analysis would be based on their ability to demonstrate that there is a demand for their units in their particular region or local municipality or whatever.

Mr Burns: They have to make the case. We, of course, are not completely ignorant of conditions in communities. We have our own data and we have, of course, CMHC's data, which is part of what needs to be brought to bear.

Mr Cordiano: Okay. How much time is left?

The Acting Chair (Mr Tim Murphy): You have three minutes.

Mr Cordiano: There's one final question that I have with regard to the project or a sponsor determining a potential tenant's rent-geared-to-income or RGI level. It is the sponsor who verifies the information, fills out the application and then verifies the information to determine what the proper level of subsidy is. What happens after that to ensure yourselves that the sponsor has followed the appropriate steps in determining that in fact this person qualifies for that RGI?

Mr Burns: Every operating non-profit or cooperative must have an auditor and be audited annually and submit the auditor's report to us. In addition, we do program-based audits of a cross-section of cooperatives and non-profits every year, which includes looking at compliance with all these things, including income verification.

Mr Cordiano: Okay. I would be interested in knowing how often that's done and what kind of information. I would like to know how detailed that is and how often that happens.

Mr Burns: That's one of the questions that was asked on Friday which we were to give you with our work plans stuff. We actually have a big internal audit program and standards and things that we do. Our director of internal audit is here, if you'd like to explore that.

Mr Cordiano: I'm sorry, then I'm repeating what was there. Okay, that's fine. I'm interested in that as well. Thank you.

Mr Carr: I was just looking through Mr Tilson's binder here, and it's very interesting. Just so you know what it does is, it shows all the consultants, all the lawyers, what their totals were, what their percentages were, who the principals are. It's very interesting. I won't embarrass any of the consultants, but the 1 Waverley Road, on cost on a per-unit basis, they range everywhere from—well, let's do it percentage-wise—8% to 2%. You've now said you've gone to a fee-for-service. How much is that going to save the province by going to the fee-for-service?

Mr Burns: I can't answer the question now because I'd have to make estimates of the global capital amount, but if I take it that you've asked the question, we'll respond in writing, given some assumptions about capital costs. It's quite a large sum of money.

Mr Carr: As you look at it, there seems to be a lot of profit in non-profit when you get into the consultants. Do you know the consultant at Waverley Road?

Mr Burns: I don't know. As I said to Mr Tilson, I'm not acquainted with the file.

Mr Carr: So you don't know why it would be so high.

Mr Burns: No. As I said, I'm not acquainted with the file but I undertook to assess it.

Mr Carr: When you look at it, you see that the same consultants appear to have some of the highest costs. Again, the swings would be, if you're talking 2% to 8% in total dollars, a substantial amount for the province. Just so I get this straight, there aren't any

plans to control the consultants' costs then?

Mr Burns: No. I think we discussed this at some length in March. We changed our practice, it must be close to two years ago, in the field in terms of what we would accept by way of a submission. We've moved away from a standard guideline to a fee-for-service package and evaluate those things. We are going to use that kind of approach in the new program, not a standard guideline, but you have to be providing fees related to real services provided.

Mr Carr: So Waverley Road, which worked out to be 8% looking at it here, can't happen again then.

Mr Burns: Is the 8% inclusive of the architects and engineers?

Mr Carr: No, they're broken down.

Mr Burns: Just development coordination?

Mr Carr: Yes. They're broken down, architects and consultants. That's why it's high and it ranges. When you're talking the total cost of that project, you're talking a substantial amount. It would appear to me, just so you know, these consultants are all listed, as well as the principals. It seems to be the same people who are charging.

I assume now that these people—we're talking about the past—made a lot of money, but I want to make sure that we've turned off the tap, as it were. You're saying we have?

Mr Burns: Yes. To use the metaphor you're using, we have switched from one kind of tap to another. Instead of opening it and having it just pour out, it now has a nozzle and comes out in little pieces.

Mr Carr: How much water, and in this case money, do you—

Mr Burns: There's less water. This is a water-efficient program delivery system.

Mr Carr: Unfortunately, it wasn't, and the water wasn't water; it was money. Looking at the savings that Management Board is asking you to do, as deputy, you must be able to tell me what the saving is going to be. How much are we going to save and how much percentage-wise? You surely must know that. If you've turned off the tap, you must know how much you're telling the government you're going to save. How much did we waste, in other words, by not doing this a long time ago?

Mr Burns: I've told you that over the last two years, across the system it has been reduced from around 2% to around 1.5%. Individually, there will still be a spread, because people have different conditions they have to meet, different real services they have to provide. At that level, that is the answer. Now, how much that would be in dollar terms in the global amount of a particular program, that is a question we can answer; I just can't answer it right this minute.

Mr Carr: But it would be a substantial amount.

Mr Burns: It would be a substantial amount of money.

Mr Carr: I know Mr Tilson wants to take over. The Ataratiri project: What's the bottom line that will cost the province? Are you aware now?

Mr Burns: No. I don't think I could give a total bottom line, partly because there are still some outstanding settlements and partly because it would require us to forecast what would happen in terms of future options; in other words, a revenue side.

Mr Carr: If in fact you can ever get rid of it, which you probably won't, right?

Mr Burns: That's not perfectly clear to me at the moment.

Mr Carr: But it would be fair to say that it's cost the province and Toronto. I guess there are some legal battles back and forth, but we're talking about hundreds and hundreds of millions of dollars for the bottom line for assembling that land.

Mr Burns: If you want to put it this way, it's in a steady state at the moment. Because I didn't come with this file or review it in the last 20 minutes, I'm going to withdraw off from speculating.

Mr Carr: But surely that's a project you must know.

Mr Burns: I once knew it extremely well.

The Acting Chair: Mr Carr, for Hansard's sake, we're going to have to have only one person speaking at a time. I don't mean to single you out by that, but for all members.

Mr Burns: I once knew it very well and at one point I did talk about the forecast numbers in some detail at the estimates committee. I'm hesitating now because I don't want to be speculative. I want to give you a more genuine forecast. I think if the committee would like that, I'll do that by letter to the committee and follow up and answer the question in the terms that you've given it.

Mr Carr: The total amounts. There's some legal agreement between Toronto and the province too?

Mr Burns: We've negotiated a windup agreement to the project in its former state, but that's not the same as saying what I think the costs are now and what might happen in the future under a couple of scenarios, which I take it was your question.

Mr Carr: Yes, because it isn't just the Ontario government; it's Toronto as well. Let's put it this way: If you have anything to do with it, we won't have any more situations like this in the province of Ontario.

Mr Cordiano: You can guarantee that?

Mr Burns: The decision as to whether or not you embark on urban renewal sponsored in the public sector is fundamentally a political one.

Mr Carr: Is that what we're calling it, urban renewal?

Mr Burns: It was an urban renewal initiative.

Mr Carr: A very bad one, I would say, as it turns out.

Mr Burns: The decision as to whether you do those things is fundamentally a political decision.

Mr Carr: I wish there was more time.

1630

Interjections.

Mr Carr: Yes, actually, it isn't this government; it is the previous government. I'd almost forgotten that; you reminded me.

Interjections.

Mr Carr: And the former mayor is now running federally too, probably, but I wish we could explore a little bit more, but I know Mr Tilson wants to get to a couple of things, so I'll pass over now.

Mr Tilson: Just to assist the committee, there is a number of things that you referred to at the beginning of your presentation about answers to questions that you were unable to answer on Friday to assist us as to future deliberations.

Would it help the committee if you reduced some of these answers in writing or could you reduce some of these answers in writing so we could determine which topics that it might be appropriate to have you come back and spend more specific time on?

Mr Burns: I think your own agenda and how you want to operate is in your hand and you can make up your own mind. In terms of my providing material, as I did in March, two things I think have been asked, a consolidated request for ministerial workplans that relate to subjects covered in the draft recommendations as you have in front of you. We've begun that work and we can't provide that material. In addition, Friday and today, we've been asked somewhere between 5 and 10 more specific questions about particular areas which we will collect the information and write to the committee about. My forecast is that neither task should take a huge amount of time, but they are slightly different.

Mr Tilson: I'm thinking specifically one of the questions that I asked you had to do with operating agreements, and it may well be that a response in writing might adequately answer that.

You had mentioned the issue of consistency in developing units. Consistency in methodology, I think, were the words that you used. It's an issue that certainly, in the brief tour that I have had of some of the developments in the area, and I've showed you two of them and I'd like to show one more because I do think it would be useful in the future that members of the committee see some of these because I would submit that there is a lot of inconsistency even within certain areas. I've given one area in the Beaches and I've given the Waverley Road and there's another area which I'd like to refer to now which is called 10 Ashdale in Toronto. I appreciate that it's not large enough to see, but we can pass this around as we did for the other one, and this is the last one that I have.

The Acting Chair: It's a shame.

Mr Tilson: Yes. I'm sure you'd like to see more, and there are substantially more developments.

Total cost, the total land acquisition cost $225,625. The total renovation was $35,000. This consists of two units, and I assume you don't know about this project either. Two units at a cost of $142,848 per unit. My question to you is, do you have a written policy that determines the amount of cost that is going to be needed for renovation?

Surely, if you're going to be putting the amount of money into it, and this is just one example, to renovate a particular project, you should be getting the land at rock-bottom prices and not—

Ms Harrington: What year was it?

Mr Tilson: I'm not too sure. The information that I have doesn't say that and that can be made available. I guess the comparison between the cost of acquisition and the cost of renovation, in this particular case, and I know, Mrs Harrington, what you're talking about, the relevancy of an acquisition of land at a particular time, but at the same time, the cost of renovations, the same proportion should be there.

In this case, it was $225,625 to buy the place and $35,000 was spent in renovation, all for two units. Do you have a written policy that deals with that issue?

Mr Burns: I'll ask Mr Schafft to talk a little bit about that.

Mr Schafft: Basically it is an acquisition and rehabilitation and it depends on particularly the group, what it's putting forward as far as the particular needs for the client group. Obviously the overriding factor is the MUPs, the prices of what you're paying for. The MUPs are looked at. Again, in the acquisition, you are looking at not more than 75% of the total cost obviously for—you're looking for a reduced level so that something is under MUP for an acquisition and rehabilitation.

Again it depends on what the group is looking for, the location. The group may be looking for other things, but if that's the only location they can find for a particular client group, that's where it may be put. So again the overriding factors in looking at the cost determinations—one is the MUP, and then clearly looking at what is the cost of rehabilitating those particular units or unit.

Mr Tilson: Mr Schafft, all I'm saying is that the reasonable developer, if there is such a person left, would not spend $142,848 per unit for two units. I can't believe they'd do that. Yet, the province of Ontario, in

its wisdom, decided to. There's no rationale to that. This is in the same area which, at the other end, the Waverley Road, is at $318,692 per unit.

I guess I'm looking for a policy, in clear English, with due respect, that explains the rationale as to why, for social housing—and that's what this is; you're using taxpayers' money for all these expenditures. You have at the one end Waverley Road, and you've seen the picture of it, which is $318,000, and at the other end a project that doesn't look, without being insulting, quite as grandiose as the Waverley Road project, at $142,000, almost $143,000. I'm guess I'm looking for a rationale that the ministry has that can explain to the taxpayer who's footing the bills on this thing as to why the Ministry of Housing's doing these things.

Mr Schafft: As I said, the guidelines and what we are looking at clearly are the maximum unit prices so you know what you're building, or I should say any renovations that are going on so you have clear understanding. Again, the groups are looking for locations. The ministry is reviewing that and analysing the cost factor. If it does meet at the moment what we call the old MUPs, those are the prices we're dealing with and not using them as the maximum, but trying to negotiate and make them lower.

Mr Tilson: All right, Can you tell me whether the ministry knows of any non-profit housing units that are completed and rented and are in difficulty? Can you tell me that?

Mr Burns: Just let me see if I understand the question: financial difficulty?

Mr Tilson: Any kind of difficulty. You're right. Good point: financial difficulty.

Mr Burns: At any time, because we're funding 1,500 organizations, there are some that are experiencing financial or managerial difficulty. The number that there are right at this minute in our system, I don't know the answer to that. I think we would have to create a definition that would be acceptable: What is financial difficulty? Is it just a disagreement about a particularly bad year—

Mr Tilson: Difficulty in operating.

Mr Burns: —or is it a large-scale problem where they're on the verge of bankruptcy?

Mr Tilson: Financial difficulty to me is that you acquire a certain amount of funds to operate each year and if you don't, you're going to have to raise the rent or the province of Ontario's going to have to substantially increase the subsidies: those types of projects. You must know which projects and how many there are, as to whether or not you're going to be putting substantial amounts of money for subsidies to solve some of their financial difficulties. All I'm trying to determine is, how many of these projects are there?

1640

Mr Burns: In my time in the ministry, to my knowledge we've not had to do a comprehensive financial restructuring of an existing operating provider in our programs. There are a number under the federal program—I said this on Friday—who are going through a financial restructuring right now. In past history, there have been—

Mr Tilson: The Homes Now, specifically.

Mr Burns: We are not negotiating a financial restructuring of any provider who's running a project under Homes Now, as far as I know at this moment, but you've asked and we'll go back and canvass our regional offices and make sure that I'm aware of everything.

Mr Tilson: I'm amazed that you don't know that, particularly when the next issue is, "Well, if they are having difficulty, then how much subsidy is going to be required?" because if you—

Mr Burns: As far as I know, in the two years that I've been in the ministry, we have not done a financial restructuring. I'm aware that there have been some in the past. To give an example, there was a restructuring done in Toronto where a group essentially went broke, was restructured and Cityhome ended up as the operator. So it has happened in the past.

Mr Tilson: Other than that one, there are no non-profit housing developments that you know of, to put it in simple English, that are having difficulties paying their bills.

Mr Cordiano: You cover their bills if they're having difficulty.

Mr Burns: I used careful words. We're not doing a financial restructuring; that is, their finances are in such bad shape that you have to remortgage it and start over again. That's a measure of someone in really deep trouble. I think in some of the ones in the federal program, that is exactly what's happening.

That's not to say that there aren't some who have run some vacancy loss and who may have run an operating loss in a particular year and are in a bit of financial difficulty they've got to work their way out of. There are certainly a number in that situation, but again, to my knowledge, we aren't negotiating the financial restructuring of anybody in our program right now.

The Acting Chair: I'm sorry, Mr Tilson. You've run out of time.

Ms Harrington: The first thing I wanted to clarify with you as Chair is what we've decided today. I've heard two things: first of all that there will be time set aside on Thursday to deal with this draft report, and secondly—this is for the opposition's edification—that from my understanding, we have agreed to one other time, and that was specifically to look at the work plan and the time lines that the auditor had requested last Friday. Is that correct, Mr Chair?

The Acting Chair: My understanding, at least as to looking at the draft report, is that's in closed session on Friday morning; as to agreements as to what we're going to do in terms of coming back, if I can consult with the clerk. The Friday sessions are for the university accountability and GO Transit and we have not scheduled time for a draft report on this, in fact. I do believe there was discussion about getting the ministry officials back in response to both particular questions and the set of questions that the Provincial Auditor put forward, which included as part of it the work plans. I don't believe that has been scheduled and obviously cannot be scheduled until the House comes back.

Ms Harrington: I'd like to put on the record that at this point in time the committee has agreed to do that, to look at the work plans and time lines that the auditor has asked for from the ministry and that I presume would be a one-time event. In the last round, about an hour ago, Mr Cordiano informed me that Thursday there is a time in camera to deal with this draft report. Is that not correct? That's why I'm asking the Chair and the clerk.

Mr Cordiano: Wednesday.

Ms Harrington: Was it Wednesday?

The Acting Chair: It's Wednesday afternoon. Yes, there's a closed session on Wednesday.

Ms Harrington: Just to clarify, then, this report will be dealt with this week.

The Acting Chair: At least to the extent that there's information available, I assume. There may not be everything available at that point.

Ms Harrington: We do have the draft report, and that's why we're asking the ministry to explain any questions we have about its response to it. I think the next step for this committee once we're finished this round of questioning is to look at the draft report.

Mr Cordiano: It's an awkward position, but I'll try and clarify this if I may.

The Acting Chair: As the normal Chair.

Mr Cordiano: As of last Friday, we had agreement among committee members that we would finish up with the questioning period today and deal with the document that was provided to us by the ministry in order to schedule additional time at some future date when this committee reconvened, when its normal sitting time is held when the House is in session. We would at that point have had an opportunity to wade through this document. As you can see, there's quite a lot of material to deal with.

Ms Harrington: That's what I was referring to.

Mr Cordiano: We want to have some working time for the committee to digest the information, then come back and order our timetable according to that document, then have the ministry come back at a future date, once we've gone through the document, and then determine what it is that we want to ask it.

Ms Harrington: Okay, I understand that. We agreed on that last Friday. But what I just am trying to clarify is that this draft report that Mr McLellan has written will be dealt with this week in closed session.

Mr Cordiano: That ties into all of this. We're not going to conclude on that draft report. It will become part of the overall report once we deal with this document. The two go hand in glove; they're one and the same thing basically.

Interjection.

Mr Cordiano: Sorry, I'm just trying to clarify this situation.

The Acting Chair: The auditor had something he wanted to add after you're finished.

Mr Tilson: A point of order, Mr Chairman: My understanding is that the draft report of Mr McLellan that we've been referring to throughout is a report of May. This is a report that was prepared in May and it's certainly not a draft report. Now we're still trying to get more information so that we can complete a report, and Mr McLellan will be preparing another draft report for the committee's consideration. This is not the draft report.

The Acting Chair: I think that's correct.

Ms Harrington: I would like to ask a further question.

The Acting Chair: Just before you do, the auditor indicated he had something he wanted to say.

Mr Peters: The point was pretty well made. That's why, very deliberately, the questions do contain the page reference to the draft report of the committee. I raised them to help the committee come to a conclusion, but it will not be able to conclude without having the answers to those questions.

Ms Harrington: I see.

I would like to look at something which we have touched on before, that is, the first recommendation. The housing allocation system is a very hot topic in Niagara. What the committee has recommended is that the ministry ensure that the local market conditions are addressed and that the residential units are located in areas of greatest demand.

My question is, what is the role of the local municipalities in these allocations? I note in the papers you've supplied today that you've talked about the new system as moving to a two-stage process, and also a redefining of core need. It might be good if we could ask Mr But to come forward and talk about this and explain it very clearly.

Mr Burns: This is Nick But, a manager in our policy group, who's responsible for designing the program. I think this is the third time he's come to talk

a little bit about the planning allocation methodology.

Mr Nick But: The new methodology is moving to a two-step process. There's a recognition, both in our consultation and the framework, and within the ministry, that we had a statistical model that measured an abstraction called core need. In addition to that abstraction, we had to try and find some way of getting communities involved in defining their own needs.

The process of doing this is taking a long time. We did our new unit distribution model, and that was done by ministry staff. Again, it was a statistical model used to distribute units to the administrative regions.

We're currently in the process of designing a local process where each region would be taken and analysed in depth as to what the needs were, in addition to the statistical information that's used from CMHC and the numbers that we generate ourselves from waiting lists and from projects that we already have on the ground. We will be having community consultations. We will be working with local municipalities, with planners, with people at the local level, to determine not just current needs but to try and get some perspective on the future.

1650

This program itself will produce units over the next couple of years, and within each subsequent wave we want to try and refine our knowledge of what the local markets are in more detail to determine both market need and the need for rent-geared-to-income units.

The market need has been very often seen as the yardstick by whether a community got units or not, and what we're trying to do is say, well, even when you have low market need as measured by vacancy rate, all those units could be at the high level, they could be at a very high rent level, so you would still have need for market units at more moderate prices. So the communities will be involved over the next year or so.

We have participation from all our regional offices in the design of this new process and we anticipate being completed by the end of this year.

Ms Harrington: So by January 1994 this process should be in place.

Mr But: Yes, the communication.

Ms Harrington: And will it vary from region to region like the different field offices you have? Will they have different plans, or will they be the same?

Mr But: Well, the methodology will be the same, but the outcomes will be different because every region in the province is different. The needs in the north are very much different from the needs of Metropolitan Toronto and the greater Toronto area, so the outcomes will be quite different, particularly when you're trying to project ahead and look at the future.

The housing requirements, that's the identification of how many households are going to form in these different areas, will require both statistical methods and discussions with communities, because every community has an official plan, or I guess most every community, and they have some sense themselves what direction they're going in. It's an ambitious undertaking, but we did recognize that more work had to be done in this area.

Ms Harrington: So you're talking about things like public meetings and consultation with the planners in a local municipality.

Mr But: It's anticipated that there would be public meetings, as there are now for individual projects. This would be more like meetings to discuss plans for whole areas. We've hired social demographers and consultants to help us develop these methodologies so that we have a good sense, not just from our own view of the world, but other perspectives on the world.

Ms Harrington: Thank you very much. One other thing I wanted you to comment on—maybe Mr But is the right person to do this as well—is about our initiative with regard to native housing in Ontario. What stage is that at?

Mr But: The aboriginal component of Jobs Ontario is being designed separately from the mainstream program. We're currently working with aboriginal groups. I should say, they're doing the work and we're providing the advice. We have four provincial aboriginal organizations working—they're funded by the ministry to work together to come up with a program designed for the aboriginal component.

At the present time we have a good format. These are groups who traditionally have not talked together that are now talking together and are planning together for how the units should be allocated.

Ms Harrington: Do you see that how native housing will be built different than what we have been doing in the rest of our housing units?

Mr But: Today, the main differences seem that there will be more focus on the types of units built, that they don't want high-rise units because their culture doesn't—well, they don't have high-rise units and their focus will be more towards being integrated into communities and having communities themselves.

The structure of the program and the design of the accountability structure, we are insisting that it be the same as the regular program, but there are some negotiations on that, because there is a view towards self-government and what that would entail for the aboriginal people living off-reserve.

Ms Harrington: And I know there is some urgency as well. We don't want to let it drag on; we want to get these units out there soon.

Mr But: We hope to do a proposal call February or March of next year with the new design program.

Ms Harrington: Okay, thank you very much.

Mr Wiseman: I'd like to move into another area, and that has to do with how the budgeting is done. I've had a number of conversations with people who work in my riding about non-profit housing, and they brought up this idea of having the capital and the operating budgets somewhat together so that they could actually move money around and spend it in a more efficient way. Is that a good idea? Has it been implemented and have you been able to do any work in terms of what kind of savings could be acquired by doing something like that?

Mr Burns: I take it by "capital" you mean maintenance-type investments, part of an annual budget allocation or a budget arrangement?

Mr Wiseman: They have money to buy a tractor, but they don't have any money to put down the grass; that kind of stuff.

Mr Burns: In the past we've used a very detailed form of budget control that approved things right down to quite detailed subcomponents and then had to approve changes to that in the year. However, Consultation Counts indicates that it's our policy intention to move to a budget relationship that covers fewer subjects more flexibly, that reduces the amount of discussion, dialogue, we have about small things and concentrates our discussion on big things like training and norms and standards.

I think that simplifying the budget relationship in combination with an incentive-based arrangement will let individual housing providers be much more effective managers of their resources in relation to their own needs than the system we have now where we have a tremendous administrative overburden on relatively minor matters and we don't invest enough time in system-wide issues like training, establishment of norms or best practices.

Mr Wiseman: It would seem to me that if we were to remove some of the layers on consultation between the groups, it would free up a lot of time, effort, and even in terms of money; it would make the system even more efficient. Would it not be possible to do that but also maintain some kind of control of where the money's spent through auditing and statements as opposed to having all these detailed rules?

Mr Burns: You can get some compensation through the financial reporting and auditing for the kind of detailed review we get now. You can get some compensation or some benefit out of just concentrating on the key elements rather than on rafts of details, and you've described the general direction we want to go in.

Just in terms of training and talking about training, I think we've got a training need with the audit community as well in terms of ensuring that people who are auditing operating non-profits and co-ops are aware of the structure that they're operating within. Some auditors who provide services in our sector do a fantastic job; others I think are not being as helpful as they could be to the system, so that's another part of making all this effective. Audit advice is, of course, directly to the operating non-profit co-operative.

The Acting Chair (Mr Callahan): I'm sorry, that actually finishes the time, according to my watch anyway. The auditor would like to ask one question which arose out of the material.

Mr Peters: Just one very quick question following up on the presentation. I was most interested in the presentation that Nick But just made for us on the needs analysis. At the earlier time when we met, as you know, the needs analysis and the allocation model were one of the bases for our report, and one of the answers we received at an earlier stage was that at the current time there was construction of a number of units as a buffer—I think that was the word used at that time. I think that was the report that was made to this committee. I'm wondering how far this new methodology of assessing the need will go into eliminating the construction of units on a buffer basis. I don't know whether that's a fair question, but it just strikes me that—

Mr Burns: I'm not sure "buffer" is a term that we would ever use on our side, but it may well have been used in the dialogue. Is this part of the discussion we had in March?

Mr Peters: That's right.

Mr Cordiano: Written documentation in response to the auditor's concerns.

Mr Burns: Can we go back? In our letter to the auditor from a year ago?

Mr Peters: The letter of March 5.

Mr Burns: To be honest, I can't recall the correspondence where that term may have been used. We will go back and look for it. I could speculate on what I think it might mean, but that would be unproductive. We'll go back and look and give a real answer to the question.

The Chair: Okay. Thank you for appearing before the committee. This concludes our session for today. We're in recess until 10 o'clock tomorrow morning.

The committee adjourned at 1701.

CONTENTS

Monday 13 September 1993

Annual report, Provincial Auditor, 1992 . . . . . P-213
Ministry of Housing P-213
Daniel Burns, deputy minister
Peter Schafft, acting executive director, housing field operations
Nick But, manager, policy group

STANDING COMMITTEE ON PUBLIC ACCOUNTS

*__Chair / Président:__ Cordiano, Joseph (Lawrence L)
*__Acting Chairs / Présidents suppléant:__ Callahan, Robert V. (Brampton South/-Sud L); Murphy, Tim (St George-St David L)
__Vice-Chair / Vice-Présidente:__ Poole, Dianne (Eglinton L)
Duignan, Noel (Halton North/-Nord ND)
Farnan, Mike (Cambridge ND)
*Frankford, Robert (Scarborough East/-Est ND)
Hayes, Pat (Essex-Kent ND)
Marland, Margaret (Mississauga South/-Sud PC)
*O'Connor, Larry (Durham-York ND)
Perruzza, Anthony (Downsview ND)
*Tilson, David (Dufferin-Peel PC)

**In attendance / présents*

__Substitutions present/ Membres remplaçants présents:__
Carr, Gary (Oakville South/-Sud PC) for Mrs Marland
Harrington, Margaret H. (Niagara Falls ND) for Mr Duignan
White, Drummond (Durham Centre ND) for Mr Farnan
Wiseman, Jim (Durham West/-Ouest ND) for Mr Hayes

__Also taking part / Autres participants et participantes:__
Peters, Erik, Provincial Auditor

__Clerk / Greffier:__ Decker, Todd

__Staff / Personnel:__ McLellan, Ray, research officer, Legislative Research Service

CA2ØN
XC21
-P72

Government Publications



P-14

ISSN 1180-4327

Legislative Assembly of Ontario

Third Intersession, 35th Parliament

Assemblée législative de l'Ontario

Troisième intersession, 35e législature

LIBRARY
OCT 19 1993
University of Toronto

Official Report of Debates (Hansard)

Tuesday 14 September 1993

Journal des débats (Hansard)

Mardi 14 septembre 1993

Standing committee on public accounts

Comité permanent des comptes publics

Annual Report, Provincial Auditor, 1992: Ministry of Health

Rapport annuel, Vérificateur provincial, 1992 : ministère de la Santé

Chair: Joseph Cordiano
Clerk: Todd Decker

Président : Joseph Cordiano
Greffier : Todd Decker

Published by the Legislative Assembly of Ontario
Director, Hansard Reporting Service: Don Cameron

Publié par l'Assemblée législative de l'Ontario
Directeur, Journal des débats : Don Cameron

Hansard on your computer

Hansard and other documents of the Legislative Assembly can be on your personal computer within hours after each sitting. Sent as part of the television signal on the Ontario parliamentary channel, they are received by a special decoder and converted into data that your PC can store. Using any DOS-based word processing program, you can retrieve the documents and search, print or save them. By using specific fonts and point sizes, you can replicate the formally printed version. For a brochure describing the service, call 416-325-3942.

Index inquiries

Reference to a cumulative index of previous issues may be obtained by calling the Hansard Reporting Service indexing staff at 416-325-7410 or 325-7411.

Subscriptions

Subscription information may be obtained from: Sessional Subscription Service, Publications Ontario, Management Board Secretariat, 50 Grosvenor Street, Toronto, Ontario, M7A 1N8. Phone 416-326-5310, 326-5311 or toll-free 1-800-668-9938.

Le Journal des débats sur votre ordinateur

Le Journal des débats et d'autres documents de l'Assemblée législative pourront paraître sur l'écran de votre ordinateur personnel en quelques heures seulement après la séance. Ces documents, télédiffusés par la Chaîne parlementaire de l'Ontario, sont captés par un décodeur particulier et convertis en données que votre ordinateur pourra stocker. En vous servant de n'importe quel logiciel de traitement de texte basé sur le système d'exploitation à disque (DOS), vous pourrez récupérer les documents et y faire une recherche de mots, les imprimer ou les sauvegarder. L'utilisation de fontes et points de caractères convenables vous permettra reproduire la version imprimée officielle. Pour obtenir une brochure décrivant le service, téléphoner au 416-325-3942.

Renseignements sur l'index

Il existe un index cumulatif des numéros précédents. Les renseignements qu'il contient sont à votre disposition par téléphone auprès des employés de l'index du Journal des débats au 416-325-7410 ou 325-7411.

Abonnements

Pour les abonnements, veuillez prendre contact avec le Service d'abonnement parlementaire, Publications Ontario, Secrétariat du Conseil de gestion, 50 rue Grosvenor, Toronto (Ontario) M7A 1N8. Par téléphone : 416-326-5310, 326-5311 ou, sans frais : 1-800-668-9938.

Hansard Reporting Service, 481 Legislative Building, Toronto, Ontario, M7A 1A2. Phone 416-325-7400. Fax 416-325-7430

STANDING COMMITTEE ON PUBLIC ACCOUNTS

Tuesday 14 September 1993

The committee met at 1008 in room 151.

ANNUAL REPORT, PROVINCIAL AUDITOR, 1992: MINISTRY OF HEALTH

The Chair (Mr Joseph Cordiano): Members of the committee, I would like to quickly call this meeting to order as we are running a little late.

OFFICE OF THE INFORMATION AND PRIVACY COMMISSIONER

The Chair: We have this morning Mr Tom Wright, the Information and Privacy Commissioner. Welcome to the committee, Mr Wright. I guess we have two hours with you this morning. If you'd like to make some comments, and then usually members like to ask questions. If you allow for some time, we would certainly like to pose some questions to you.

Mr Tom Wright: That's fine; I will, then. I do have a few opening remarks which are indeed brief.

I'm pleased to have the opportunity to appear before the committee to address an issue which is of concern to the Office of the Information and Privacy Commissioner, obviously members of this committee and many others. But before I begin my remarks on the gathering and management of personal health information, I'd like to take a moment and place them in the context of Ontario's access and privacy legislation and the role of the Information and Privacy Commissioner.

The Freedom of Information and Protection of Privacy Act applies to all Ontario government ministries and most provincial agencies. The Municipal Freedom of Information and Protection of Privacy Act applies to local governments across the province: municipalities, school boards, public utility commissions and other local agencies.

The Information and Privacy Commission is an agency of the Legislative Assembly and the Information and Privacy Commissioner is an officer of the assembly reporting to the House through the Speaker.

The role of the Information and Privacy Commissioner basically involves four elements.

We are an appeal body under both pieces of legislation responsible for reviewing decisions by government organizations regarding access to general records.

Secondly, and most importantly in the context of today's session, we are responsible for ensuring that government bodies comply with the privacy requirements of the acts, the rules that cover the collection, retention, use and disclosure of personal information.

Finally, we are responsible for ensuring that members of the public understand their rights under the acts as well as how to go about exercising those rights. We also comment on proposed government initiatives which have access and/or privacy implications, and in this role we see ourselves as advocates for the concepts of access and privacy.

As I mentioned, the acts create a system that protects the privacy of personal information and set out rules which cover the way government organizations collect, store, use, disclose and dispose of personal information.

Both the provincial and municipal acts base their privacy protection roles on a code of fair information practices. The principles contained in this code were developed by the Organization for Economic Co-operation and Development, otherwise known as the OECD, in Europe and are the basis for privacy legislation in many jurisdictions.

For our purposes today, the principles which I feel are most relevant, as contained in those guidelines, are the following:

Governments collect only the information needed to operate their programs and use this information only for the purpose for which it was collected or for some consistent purpose.

Wherever possible, the information is collected directly from the individual concerned.

The individual must be informed of the purpose for which the information is being collected.

Those who collect the information must take whatever precautions necessary to ensure its accuracy and security.

Finally, such information must be retained long enough to give the individual to whom it relates reasonable time to access it and review it for accuracy.

As I mentioned at the outset, as I understand it, my purpose here today is to address the question of the gathering and management of personal health information and, in the context of my role and responsibilities, share with you some of the issues I feel should be addressed. It is not my intention to make recommendations about card technology or health care in general. What I will be addressing are the access and privacy issues which I feel the Ministry of Health and other government organizations need to consider.

I think it's fair to say that any system that collects the amount and kind of sensitive personal information that currently flows through Ontario's health registration system must have adequate controls in place to protect the privacy of individuals to whom that personal information belongs. I'd like to stop for a moment and

emphasize the significance of the word "belongs." I think at times a concept that escapes us is, because the government has personal information about an individual does not mean that that is the government's information. Fundamental to the rules of privacy is the recognition that the personal information belongs to the person to whom it relates.

The government has that information, I would suggest, in a kind of contract with the individual that in fact there are responsibilities on the part of the government when it is given access to this information. The rules that we have in Ontario today, as I've indicated, are captured in the two access and privacy acts that we have. But fundamental to looking at privacy, as we understand it in Ontario, is this concept that personal information belongs to the individual. The fact that they may be required to provide it to government in order to obtain a benefit or in terms of perhaps obtaining a licence or something of that nature does not in fact change the ownership of that information. It doesn't suddenly become the information of the government, and the government is simply not free to do whatever it wishes with that information. It's subject to the controls that the act contains.

I think that the controls that I've mentioned become even more important when considering the expansion of the health registration system to the degree that has been recently reported.

Looking back for a moment to when the current health card and number were being introduced, the then Minister of Health, Evelyn Gigantes, made a commitment to the protection of privacy when she introduced legislation relating to the health card in December 1990:

"The protection of the privacy rights of citizens demands the constant attention and care of government in an age of computers and information systems. This government will maintain vigilance on behalf of all Ontarians."

The current legislation, the Health Cards and Numbers Control Act, clearly prohibits the use of the card or the number for any purposes other than health-related ones. Now, at that time, we were gratified to see that our privacy-related concerns were reflected in that act. In our view, these controls will continue to apply to the health card if the identification card system is changed by the Ministry of Health.

Having said that, however, I think there are a number of questions still to be answered in any change to Ontario's health registration system. I've certainly heard about the issue of a photo identification card. If that in fact is in the works, there are questions around the collection, use and disclosure, as outlined in the Code of Fair Information Practices, which present themselves.

How will the photographs be obtained? If through the Ministry of Transportation's drivers' licence bureaus, will the Ministry of Transportation have consent to disclose photos to the Ministry of Health?

Will the Ministry of Transportation be responsible for retaining the photos, updating the database and forwarding updated photos to the Ministry of Health? What about those people who do not drive; who are not yet 16 years of age?

As well, the Ministry of Transportation's database is semipublic. The Ministry of Health's database is not. What controls will be placed on access to information collected for health-related purposes?

What kind of personal identification card is being contemplated? Different kinds of cards have different levels of security.

The magnetic stripe on the current health card holds four pieces of data: the individual's name, date of birth, gender and preferred language of correspondence. There is no built-in security for the stripe. The card does not restrict access to the information.

If the card's information bank is to be expanded to include more data, or a photo card is contemplated, is a smart card format under consideration? Simply put, a smart card is embedded with a computer chip that stores information. Our commission's smart card paper, copies of which I believe were provided to Mr Decter, describe our privacy concerns related to the use of smart cards in Ontario. On the other hand, smart cards have a built-in level of security, so access to information stored on the card can be controlled.

Whether a new identification card contains a photo or some other unique personal identifier, I want to return to our concerns related to its collection, retention, use or disclosure for anything other than health-related purposes. I think we're all familiar with the experience associated with the use of the social insurance number in this country. I think it is shown that a series of numbers can quickly come to be used as a personal identifier. The SIN was first introduced in 1964, intended only for unemployment and Canada pension plan use. Today it is used and accepted as a standard, universal identifier, and any controls placed on its use at this time are probably too little and a little bit too late.

1020

Having made these comments about the privacy aspect of things, I'd like to make it clear to the committee that our office does understand the need for mechanisms to control inappropriate use of health card numbers, to ensure that tax dollars are being spent to their best advantage in Ontario's health registration system. However, the protection of individual privacy is also the responsibility of the Ministry of Health, and privacy protection must be considered at the earliest possible stage.

The principles set out in the Code of Fair Information

Practices place the onus on government to protect the privacy of Ontarians. It is important to stress that this protection is not at odds with the goal of eliminating inappropriate use of the system. Any system that relies on accurate and up-to-date personal information in order to function effectively must take the principles in the code into consideration, again, at the earliest possible stage, at the beginning when the system is being designed.

For some time now our office has been calling for legislation relating to personal information contained in medical records. The Ministry of Health has been working on a law that will address access and privacy issues related to health care information. However, it has done so, to be candid, sporadically, and I understand that further work on the legislation has been postponed. I think the current situation further demonstrates the need for such health care access and privacy legislation.

By way of conclusion, I think the committee is engaged in very important work and I appreciate the opportunity of being able to comment today on the privacy concerns that I think may arise. I hope my comments will be of assistance in your deliberations.

In closing, I would like to leave with you a single request. In your deliberations I ask the members of the committee to support the preservation of privacy rights of individuals. Thank you very much.

The Chair: I would like to thank you very much for your comments. I think they're enlightening. This is certainly an issue, you can see by virtue of the fact that we have you here before us today, that is important to the committee. I think you'll see that members will be very interested. There are a number of members who want to ask questions at this time. We'll move in rotation. Perhaps we can do 15-minute rotations and start with Ms Poole, who's on the list, and then Ms Sullivan for the official opposition.

Ms Dianne Poole (Eglinton): Mr Wright, welcome to the committee and thank you for the presentation. You've certainly given us some food for thought. You made it very clear in your presentation that you believe that because government has collected the information does not mean that personal information belongs to the government. To follow up on that, you've said that personal information belongs to the individual.

One of the concerns I had recently when it was alleged in the newspaper that the current provincial government is planning to sell some of the information on its records, one of the thoughts that crossed my mind was the impact on the health care problems. There is a great deal of information, I believe, that they plan to collect when they bring out their new card, and I can see that this would be very beneficial to certain companies or industries—pharmaceutical, whatever—if the government chose to sell that information.

Have you had any meetings with the Ministry of Health or with Management Board concerning this particular aspect, have you expressed your concerns and what has the response been?

Mr Wright: We have indeed met with the Management Board secretariat with respect to the larger issue of what is being described as tradeable data. The notion today of course is that information in the hands of government is a commodity and that in fact more use should be made of that commodity for purposes of generating revenue. The concerns that we have expressed relate exactly to the type of situation you pose, and that's the potential for the sale of personal information.

I think it's important that we make a bit of a distinction in terms of what we mean by personal information. Personal information means that the information in question can be attached, if you will, to an identifiable individual, to a person. The fact that the name is removed may indeed make it more anonymous, in which case that may well change the notion of whether or not a sale should or should not be permitted.

In terms of the response that we've received, Management Board presently has under way something called a tradeable data directive. This directive will apply to all provincial government ministries. It sets out rules around the sale of data. We have had a number of consultations and meetings with Management Board secretariat and its representatives. We feel that they have moved in a positive way in terms of the issues of personal information and controls around its sale, although the concerns do not disappear. The question still arises. Even with the directive in place, it doesn't necessarily prevent an individual ministry from contemplating, or from changes being made down the road in terms of, the sale of personal information.

It's a fundamental concern for us and one that we have explored with Management Board secretariat.

Ms Poole: I personally find it quite reprehensible for the government to consider selling information that was given to it by individuals with the full understanding that it would be confidential and that it was necessary for the operation of government. But to trade that off by saying that we need more revenue—I really can't use any other word than "reprehensible."

I'm particularly concerned with the health card, because it's obvious that the ministry must collect generic data in order to be able to predict trends and do proper health care planning. I think that's something we all support. But if you have a situation where that information that is given with all hopes and expectations of confidentiality by the individual is made public, then I as an individual would feel betrayed.

When you were meeting with Management Board to discuss, I think you called it tradeable information—

Mr Wright: Tradeable data, yes, information.

Ms Poole: —did you specifically talk about the health card and what kind of security could be built in and in fact specific legislation that would prevent information from the health card that would specifically identify an individual from being traded? Did you discuss the specifics or did you have more general discussions with them?

Mr Wright: We did not discuss specifics as they relate to health card information. Again, to be fair, I believe the directive recognizes the importance and the distinctions between the sale of personal information and other information that the government may have, that it may collect for, say, mapping or something of that nature. I think there is a recognition in the directive as it presently stands—it's not yet in force—that does show an awareness of that distinction.

But we did not address specifically the question of health care information. I think we can't ignore the fact that the existing Freedom of Information and Protection of Privacy Act does contain rules around what can be done by way of disclosure of information. However, in terms of specifics, we have been in touch with the Ministry of Health already. A letter was sent early this month to the minister advising of our concerns around the changes to the registration system, as we have in the past offered to work cooperatively with the ministry in terms of making sure the controls that we feel are necessary from a privacy protection standpoint are put in place before the system is actually fundamentally changed.

That's the kind of direct action we've taken with the ministry itself as opposed to Management Board secretariat.

Ms Poole: Just one final question, because I know our health care critic has a lot of questions for you: The letter you just mentioned that you wrote to the Ministry of Health, would you be able to share that with the committee? Would that be a problem for you?

Mr Wright: I don't see why not. Yes, certainly.

Ms Poole: Because I think it would be very helpful for us to see what kind of concerns you have already targeted and so we know what to look for.

Mr Wright: Absolutely. I'd be happy to do that.

1030

Mrs Barbara Sullivan (Halton Centre): I'd like to say, Mr Wright, that the information you've presented to the committee is very useful, including the document on smart cards, which we'll certainly be looking at as we move ahead on this issue.

I'm interested in what you have to say about the ownership of medical records, because it seems to me that the records are collected for a number of purposes. There is a record of health care services, perhaps a medical record, a record of eligibility, records which are collected for purposes of billing through the OHIP and ODB system, records which may well be kept for epidemiological purposes, to establish trends or utilization reviews and planning reviews and so on.

I understand that there have been some legal interpretations with respect to the ownership of medical records by physicians. I wonder if you could put some information about that on the table. Who in fact does own the medical record which sits in a health provider's office, or perhaps in a facility such as a hospital or a senior citizens' home, and what rights does the government have to access to that data?

Mr Wright: I can offer my best understanding of the question about ownership of medical records. My understanding is that the Supreme Court of Canada, in a decision within the past year—and I don't have the exact date—determined that the actual ownership of medical records in the hands of a physician lies in the hands of the patient. It is the patient's information and that person should in fact have access to it, subject to certain exceptions, such as if finding out the information is likely to cause distress or something of this nature. There is room to leave a bit of a door open in terms of exceptions. But that is my understanding as to the issue of ownership. It lies with the patient, which of course is consistent, I think, with what I said around other types of information that come into the hands of the government because someone has come in contact with the health system.

But the fact of ownership residing with the patient I don't think changes what governments are entitled to have by way of access to that information. What the privacy legislation does is set out some controls around what type of information can be collected and the use and disclosure of that information once it's in the hands of government.

I agree with you certainly in terms of planning purposes, which are certainly a focus of the new health registration system and looking down the road in terms of the health care system. I don't see the act as providing anything that will prevent that kind of planning from taking place. The way in which it would be done, to my mind, would be simply by anonymizing the information. If you need to know that x number of operations of a particular kind are done in Ontario each year, that's what you need to know; you don't need to know necessarily that person X is the one who had that operation. That's really what the act focuses on. It focuses on the connection between an individual and, in this case, a particular procedure. I don't see it preventing the legitimate uses to which that information might well be put.

Mrs Sullivan: The Ministry of Health appears to contemplate that the health care provider and/or facility will have an increased responsibility at the point of health care service delivery with respect to updating

information which is included on the cards or providing information to the ministry with respect to the individual, perhaps about the record or perhaps simply with respect to an address change. What is your view on the appropriateness of the provider or of the facility being placed in that heavy a position and in that responsible a position with respect to the updating of registers? I have another question to follow on that.

Mr Wright: I think one of the key points, certainly from a privacy protection perspective as well as I think in the interests of the health registration, is the accuracy and up-to-date nature of the information that's in the system. As a matter of reaction, I really haven't, quite honestly, thought about the question that you just posed in terms of the appropriateness, but it strikes me that certainly the individual who has come in contact with a health care provider would certainly be in a position to obtain accurate and up-to-date information at the time.

I think the question that arises—and I don't want to preempt, perhaps, where you're going next—is, who should be able to do the updating? Who should be able to have access possibly to the information that's contained in a database at the time a person comes to visit a physician? I think these are questions that would need to be asked. As I say, I really have not given a great deal of thought to the notion of who would best input the information, but there are other issues that unquestionably do arise when you parcel it off.

If I may just sort of complete the thought, that's why, at the end of my comments, I made mention of health care access and privacy legislation. Ontario's access and privacy legislation only applies to government. There is no similar type of rules in place when you move into the private sector. There are no controls—and I'm talking about legislative controls—around how physicians, hospitals etc use or disclose that kind of information. Obviously there are rules of practice, ethics etc, but in terms of legislation, there is nothing in place at this time. That's why we feel it would be something that may well address some of the very concerns that you've just identified.

Mrs Sullivan: I think that these are important areas, because the government is clearly going to rely on the provider for information. Certainly with respect to eligibility, my understanding is that the professional codes, certainly for physicians, mean that the physicians are not allowed, under their professional standards and codes of ethics, in fact to provide that information or any information, including address changes.

So we have a problem as we move along the line here. The government wants the information for up-to-date registry purposes. Physicians, under their code of ethics and professional standards, are not allowed at this point to provide that information.

Along the way as well, even with an address change, there doesn't appear to be a provision for the consent of the individual to make those changes. We've heard that there's no strategy or action plan in this area, but clearly steps are being taken. Those steps that are being taken will rely on the point of service for updating, correcting, changing information and for reporting problems such as suspicion of fraud in that system. In terms of the ownership of information, the use of information etc, I think we've got a very large problem here that has to be addressed.

Mr Wright: You make a number of excellent points. Certainly one of them is the whole notion of consent or even awareness of the individual in terms of what is going to happen to the information he provides to an individual.

I'm not aware of the specifics around the code of practice that permits or doesn't permit the providing of information, but I think the question may arise as to the statutory authority of the ministry to obtain certain kinds of information relating to services provided for purposes of billing etc. I suspect that there is the authority for the ministry to obtain this kind of information, but again, I think you raised the very important point about, at the instance of collection, what the individual knows about the information that's being collected and, more importantly, how it's going to be used and where it's going to end up. I think there is an obligation to make people aware of those facts.

Mrs Sullivan: The next question that I have relates to the purpose of the collection of the information. We have heard before this committee that the government is considering the implementation of an across-the-board personal identifier. My personal conclusion is that the personal identifier could not be used and data could not be collected for health care purposes as a total vehicle; that because of the nature of the legislation surrounding health cards and the broader purposes that a province-wide card would mean, there would still have to be a separate database and separate rules with respect to the medical health care records. Do you concur with that?

1040

Mr Wright: You're talking about the idea of a single government services card, that kind of idea?

Mrs Sullivan: Yes.

Mr Wright: We have very, very serious problems with the notion of one government services card. I think you've identified one of the very real issues; that is, it would entail, one would assume, one very large database or connected, linking databases. The potential of that I think is incredibly significant in terms of the privacy of individuals.

We talk at times in the theoretical, but what it would allow you to do, for example, would be to profile individuals. You would be able to tell every interaction that someone had with government, presumably with the push of a button; as you mentioned earlier, notions

around the potential for marketing the information that's contained. There are companies out there that like to profile consumers. I'm sure there probably is some use that can be made of the information in that kind of database. The whole notion of tracking individuals, what their behaviour has been, if they've come in contact with the justice system, if we have polls, things of this nature, there's the ability to track.

It's funny when people become aware of these kinds of issues. One of the sources of complaint we have relates to the Ministry of Transportation and the fact that it performs various travel pattern surveys. What happens is that apparently an individual will get a letter saying something like, "You were observed travelling along road X at such and such a time." People are flabbergasted that someone out there, not for any kind of improper purpose, leaving aside the need or whatever to do that kind of survey, someone associated with government has, as they see it, tracked them or has had the ability to track them. I think when you start talking about one database, all you've done is make worse the potential for the use around that kind of information.

There are ways, I'm sure, to control the way in which segments of information are accessed. Indeed, health information could be segregated, other types of information, but once you start on that road, it then becomes a matter of, if you will, to some extent, the good graces of the government of the day to decide what should happen. It's there. I think at times the attractiveness of doing certain things when you have all the information in that place in fact weighs against what are the real privacy interests. I think when you start moving into this area you really are hitting at a question that, for any other jurisdictions that have looked at the idea of one number or one card, has been a fundamental issue as it relates to privacy.

Mr Jim Wilson (Simcoe West): Just along this line of questioning, I too very much appreciate your paper with respect to your comments surrounding the introduction of smart card technology. I was a little surprised to hear your remarks just a minute ago when you sounded very negative about smart cards. Your paper certainly doesn't indicate that. Your paper indicates that, with proper security measures, it is indeed possible to introduce smart card technology. In fact, you point out that in three cases, or certainly in two cases, in the Ajax Ridekey program and of course in the Encounter card pilot projects, smart card technology is already being used and will likely be used. It certainly is my understanding also, with the government's introduction of highway tolls, it is the same technology.

I want to ask you a question about what you just said, because it's also contained on page 1 of your report, where you say, "The same technology that allows the government to facilitate the delivery of programs and services can be used to monitor and control its citizens."

We've heard in these committee hearings from the Liberals that this is one of the reasons they introduced a single number for health care. The idea is to take that information—in an anonymous way, granted, but that's open to debate—to profile health care users and to do a back-end analysis and, one would expect, to catch fraud in the system, which is the subject of these hearings.

I guess where I fail to see the consistency is that we're doing that anyway. I don't know what consumers think the government does with this information that it retrieves in the form of using the plastic health card, but that's exactly what the government intends to do. That's what they've been doing in Manitoba. That's what they've been doing in Europe for years. I don't see smart card technology changing things all that much with respect to the use of the information from government, except that government would have more accurate information.

Mr Wright: Just if I may comment on your initial observation about inconsistency, my comments were directed to the notion of having one number assigned to an individual as it relates to all government services, not simply health care services.

I think there's a very clear distinction to be drawn between that. Certainly, as you say, the report does point out some of the very real positives around smart card technology and what can be done with the kinds of controls that are available: encryption; the ability, again, to do segments of information, and access to it. But that is in the context of the notion of possibly multiple smart cards with different types of information on them or the absolute controls around who has access to the type of information that's on a smart card.

If you had one card for all government services, what controls would be in place, for example, if you produced that card at the Ministry of Transportation? Does that mean that whoever is looking at it would have the opportunity to know that at some point you had been receiving some form of social assistance or who knows what else? Would have access to your patient record, using the health example?

It's not that the technology is flawed and it's certainly not that we would be opposed to the notion of a smart card, but I think the challenge would be to ensure that sufficient resources were spent to see that the controls that are available were actually put in place. I understand expensive controls at times would have to be put in place; otherwise the privacy concerns, I think, are far more likely to arise.

Mr Jim Wilson: I think when people look at smart cards, they are talking about what you referred to on page 5 at the bottom as the "segregation of multi-use applications to prevent possible merging or matching of various databases." I'm not sure about the databases, because I agree with your concern about having one large database, which, to me, would be necessary if

somebody were to lose their card. The information has to be stored centrally somewhere, which is a problem in keeping them up-to-date.

The type of vendor who comes to see me, for example, has smart cards that can only be accessed in your presence with your fingerprint. The technology allows the chip to actually segregate information so that one database isn't merging with the other. Essentially, your imagination is the only limitation to what you can do with these, as far as I can tell. When I envision an Ontario smart card or a government-wide card, I do envision one card which would have hunting and fishing and driving and medical services, the whole range of plastic cards now, but an absolute separation with respect to who can access what, which I'll want your opinion on, because I know that's possible and there are a lot of problems with it.

But right now, if I hire a private investigator, and the lawyers in the room will know, you can find out just about anything you want on someone. You probably know that. You certainly know that if anyone hires a lawyer and is involved in trying to find out someone's driver's record. I don't know how they do it. I suspect they all have friends in different departments or you go to the local police officer in his own police car. You can call up much of the record, for example, that you would need for those purposes.

I say to the people, "Look, wouldn't you rather have one guard in front of one database, where at least we know what information is being gathered by government and we have the potential to control it?" You do allude to that in the paper. As the current system is, you have, say, 20 databases with 20 guards, and there are a lot of little areas in government where perhaps your office knows but my office doesn't know or have much confidence in the security that's currently being provided and who has access to what. From a consumer point of view, I would think that you could sell a smart card, an Ontario-wide card, by actually enhancing security. Do you have any comments on that?

1050

Mr Wright: I think your observations are to the point. There's no question that the technology is there, as I understand it, in terms of putting in place the kinds of security. I think really the fundamental question is, will sufficient security be put in place? To go back to a point I made earlier, I understand the question of cost does raise its head around the ability to do some of these neat little things that these cards can do and put the proper controls in place.

Mr Jim Wilson: I agree. What I particularly appreciate about your paper is all of the legislative controls that have to be looked at and the protocols drawn before government ventures down the road. I totally agree with that, and I do see this as a very long-term project to government, although I would, Mr Chairman, be interested to hear from the Management Board secretariat with respect to where exactly it is in looking at an Ontario-wide service card.

Mr Wright: If I may make one follow-up comment, the point that Mr Wilson has made about a coordinated strategy is something that we also strongly advocate in our smart card paper. The notion of a piecemeal type of implementation really is not the way to go.

Mr David Tilson (Dufferin-Peel): It's interesting how this topic all got going, at least recently, and that was because of the fraud that's being alleged in this province with respect to health cards. Now, all of a sudden, we're talking about drugs, and I know that's part of it of course, making sure that people aren't getting double usage of drugs so that they can go to one pharmacist and get something and then go to the next pharmacist and get the same drug and then sell it. That's what's being alleged, I suppose.

Now we're talking about making information available. On the one hand, it is kind of scary, whether you're talking about a police camera photographing a car, as you say, or the whole issue of some private company called Teranet owning information on our real estate holdings and what we own and how old we are and whether we're married. On it goes.

Now we're talking about other information that could be made available to the partners, the partners being the drug companies, the partners being the pharmacists, the partners being the hospitals and all the various providers. A whole slew of clerks who work in these various stores will have access to this information. It's rather scary stuff that, all on the dot of some microchip somewhere, someone is going to know all kinds of things about us.

I guess, on the other hand, the other side of the coin is that if we want free service, if we want health service provided by the state, then are some of our rights going to have to be surrendered, without turning into a Big Brother type of society?

I'd like you to tell me—I'm getting to my question finally—whether you or your staff have had an opportunity to review the situation in Britain, which I understand is loosening up information or making more information available at the expense of the individual. At least, that's what I understand, that Britain is perhaps going the other way. In other words, there's the interest of society and then there's the interest of the individual and which is more important. There's that happy median that we need to find. Can you tell us anything about the British experience?

Mr Wright: I'm sorry, I can't. I'm not aware; I have no information. Janet Gore from my office is here; she is a senior policy adviser. She can, I understand, just very briefly tell you about the generalities, not specifics, if that would be of any help to the committee.

The Chair: Sure. Why doesn't she come forward and introduce herself, or, Mr Wright, you can introduce her.

Mr Wright: This is Janet Gore. Janet is a senior policy adviser with the information and privacy commission.

Ms Janet Gore: Mr Tilson, in Britain, although it's not an area that I have studied extensively, they do have a data protection law for the private sector, where companies that are collecting and using information have to register with a central registry. But I'm not particularly familiar with what you're talking about. Are you talking about a specific situation relating to health information?

Mr Tilson: My understanding is that—it's just something that I've read somewhere; I don't even know whether it's accurate and that's why I'm asking you what you know about it—Britain is favouring the societal interest at the expense of the individual.

Ms Gore: I don't think I can comment. I can do some research for you on the current state of data protection in Britain, if you would like. I'm not aware of—

Mr Tilson: I guess I'm getting to the issue as to the general societal interest. I'm looking at a state that perhaps has looked at the general societal interest as opposed to the individual, because I believe you can go too far either way. I mean, we can have the Big Brother type of state where governments, on a little microchip, know everything about us—everything as opposed to not being able to find out anything.

Mr Wright: I think of the words you used earlier; that is, the appropriate balance that the public is comfortable with. I can sit here certainly as a privacy commissioner and, as I indicated, as an advocate of privacy. At the same time, I recognize that there are competing interests and I think the challenge for everyone is to find where the balance lies. I hope that we can begin with certain givens, and one of the givens that I feel is important is an acknowledgement of the right of the individual to privacy. There's no question that when you obtain a service there are certain parts of your information that you are required to give up, but there need, I think, to be clear controls in place around the use of that kind of information, how much information is collected, the kinds of things that Ontario's privacy legislation talks of.

I agree with you: It's not a pure one or the other. I do think that trying to find where it should be by way of the needs of government in terms of spending money and the needs of the public in terms of privacy and other larger interests, finding that balance is not easy. There's no question about it.

The Chair: Mr Tilson, we've run out of time.

Mr Larry O'Connor (Durham-York): I want to thank you for coming. We've certainly got some concerns over the fraud elements and any experience you can give us on the privacy elements of any changes we might look for is going to be indeed both important and valuable to the committee.

I note that with my Outdoor Card there's a strip on the back and I just wondered—it's probably a question you might not be able to answer—what information is in that strip. I suppose you don't know.

Mr Wright: Sorry, I don't.

Mr O'Connor: So within that strip there is not likely something that could be a problem as far as privacy is concerned?

Mrs Sullivan: Your weight and height are on it.

Mr O'Connor: Maybe some of that information is the same that is on the health card at present that has that magnetic strip.

Mr Wright: My understanding is that for the health card there are only four very sparse elements of information on it, not including, as I understand it, address. I am not familiar with the information that is on the magnetic stripe itself.

The privacy concerns, however, arise certainly in terms of what information is on that card, but they really kick in as well when you look at who has access to the information that's on that stripe. Is it everyone? I'm not sure when you would actually use that stripe, whether it's renewing the card or in what way, but that's where the privacy element kicks in as well.

1100

Mr O'Connor: I know that when I do have an opportunity to go fishing in Algonquin Park early, usually in May, and we're back a couple of lakes in the canoe fishing, quite often a conservation officer will come by and of course ask us for our permit to fish. Obviously, you don't have capabilities in the boat of reading this magnetic strip, so one does question it.

Is it possible that you know of any way of this being tampered with, that magnetic strip, the information on it?

Mr Wright: I'm sorry; along the technical lines, really, I don't have that information.

Mr O'Connor: No, I'm just asking perhaps if somebody had come forward to you with a difficulty in the past of somebody misusing that type of technology. It's not the most modern, it's not as fancy as the smart card, but have you had any problems with anybody tampering with that technology that you know of at this point?

Mr Wright: I could ask Ms Gore, again, to help me out here.

Ms Gore: The thing about a mag stripe versus a smart card is that the information that's contained on it has no security attached to it. It's true that some of it

could be maybe encrypted, but generally it's just sort of there, so anyone who has a reader can read it. Not everyone could then fiddle with it. It's in the production of the card, so I don't know if they could be tampered with. But our concern is about who has access to that, and if perchance that was a health card that had more sensitive personal information, just anyone swiping it could find out, through a reader, not only your address but also some other things. That's where our concern comes in.

Mr O'Connor: Through the experiment up in Fort Frances with the use of the smart card, could you see any areas that you would have concern around privacy of the information that was used during that experiment?

Mr Wright: Our office actually worked quite closely with the Ministry of Health throughout that particular project—I think they called it the Encounter project—and throughout we brought to the attention of the ministry concerns that we had about how it was progressing, things like the patients being aware that the information was being collected and what was happening with that information. It's a very big question from a privacy perspective. It's very important that individuals have access to their own personal information and that they know what information they are carrying around on the card.

Again, questions of that nature arose, and in fact there was a capability, a little complex, for individuals to get to see what's in fact on the card that they're carrying around in their wallet. That was sort of the extent of how we were involved. We raised issues with the ministry around confidentiality, who had access to the information, the kinds of things that are touched on in our smart card paper.

The Chair: Mr O'Connor, there are two other members on your party side wishing to ask questions.

Mr O'Connor: Okay. One final question, thank you. In making any changes—and we're looking forward to any sort of recommendations that might come out of this and some valuable back and forth with my colleagues here yet to come—did you see any need for any legislative changes to protect the freedom of information or elements of privacy for health care cardholders in the province if we moved forward with either a photo ID, a smart card or just further information on the health card?

Mr Wright: As I indicated in my remarks, I think the present legislation is workable as it relates to information that's in the hands of government organizations. Where it does not extend is into the private sector. Those kinds of rules do not extend into the doctor's office, the hospitals, things of this nature. There are no similar rules in place, at least in legislation. I would see that as being a real plus if it were to go along in conjunction with some of the kinds of changes the committee may be considering. I think it depends on the nature of those changes.

Mr Robert Frankford (Scarborough East): For a starter, I'd like to take the opportunity of elaborating for Mr Tilson, and I think other members, the British situation, because I think it can be very useful in our deliberations. The important thing, of course, in Britain, is it's a non-fee-for-service system, so there is no need for reporting of health services centrally and this doesn't happen. We've got a registration system. All the central government knows is the identifier of the registered people and pays for them, the same as, Mr Martin can tell us, happens in Sault Ste Marie very successfully. There are many other benefits to this. So I think we must be looking at the possibility of structural change and possibly even a cardless system, because I think even in the privacy concerns but more in the system management, the benefits of a cardless system will become more and more apparent.

In Britain there is reporting of aggregate data from health care providers which goes to district health councils, but it is aggregate data and it is used for planning in an constructive way. I was speaking with Dr John Forster of the University of Ottawa last night, who was one of the coauthors of the article mentioned in the Ontario Medicine publication that was circulated. I think the committee might well ask him to come here, because I think there are many aspects of the British approach that would be very useful.

Just to use a bit of my time to ask you a question: Have you looked at the proposed drug linkage system and have you any thoughts about privacy concerns when the patient is going to get informed by a pharmacy of mixtures of drugs that they shouldn't be taking? Do you think this is something which raises issues that you should be involved with?

Mr Wright: Our office has been involved since, in fact, well before any announcements were made around this kind of potential and we are in regular contact and consultation with, I believe it's the drug programs reform secretariat at the assistant deputy minister level. There's an assistant commissioner, Ann Cavoukian, with my office who is leading the role of the office in that and we are involved in terms of the privacy concerns. I don't have the exact details of that involvement, but I can assure the committee that we are involved. There are concerns that we have around several aspects of that. Again, part of it relates to the information that's in the hands of the private sector and the kinds of controls that are in place in that way around that kind of information, so we are involved in terms of what that secretariat will be doing.

Mr Frankford: I guess the ones dealing with commercial pharmacies which could be using that information.

Mr Wright: I think the concern is just what happens

in terms of that information, and someone has mentioned the issue of drug manufacturers and this whole notion of what I think is a very sensitive type of information, which is our medical information and just who has access to it.

Mr Frankford: So if it's maintained under professional control, it's okay.

Mr Wright: It's hard to argue against the notion that people should have the benefit of a professional's advice that perhaps mixing two kinds of medication is simply a health risk. I would be hard pressed to sit before you this morning and suggest that that is something that, from reasons of privacy only, should not be done. The question once again I think does come down to balance.

Mr Drummond White (Durham Centre): Thank you, Mr Wright and Ms Gore. I found many parts of what you had to say very, very interesting, the issues around who owns the information and who has control of the information. We had a discussion and a lot of very scary talk, but I wanted to clarify a couple of things in your role. We had an opposition member suggesting that the government was selling off data like membership lists for magazines or something, that personal data was being planned to be sent off. If any confidential or personal information was to be sold off, you would of course be consulted, and have been.

1110

Mr Wright: I'm sorry, sir, we would not have necessarily been consulted in terms of specific instances of proposed sale. That simply has not been the practice. We are not consulted.

Mr White: However, you should be.

Mr Wright: I agree.

Mr White: I quite agree as well.

The Chair: Mr White, you have one minute left.

Mr White: The issue with the smart cards, I think, is very interesting, the issue of who owns the information. Many people of course get scared when they hear about smart cards with all this data about them being accessible. But it is quite possible, with the technology we have, to have prescribed usages of those cards, such as has been described where if you have a fishing licence, that wouldn't be accessible to the Ministry of Health, or that particular part of the database on the card wouldn't be necessarily accessible. Conversely, even within the Ministry of Health, personal information might not be accessible above a certain level or where it was not necessary for the use. That's true, right?

Mr Wright: That's certainly my understanding, leaving aside cost considerations of what it would take to actually do that. Certainly in the work of our commission we're very often exposed to new technologies, and it's hard to ignore the attractiveness and the appeal of all these wonderful little toys that you can have and what they can do. But I think you can't forget the fact that for every toy that supposedly can have a security built in, there's someone else out there who's going to find a way to get around that security. It seems to be a constant issue about building the security in and then someone else discovering a way to do it.

The latest protection now, we're being told, is encryption. The United States has a big project under way dealing with encryption. There are issues around the keys that relate to encryption, so it just seems that technology just doesn't stop, and it will be a constant battle, if you will, to make sure that the security is maintained. Once you start on that path where with a card you could indeed, if you wanted to, have a single profile of an individual, I think that is a very, very big step.

The Chair: Thank you, Mr Wright. I'm going to turn to Mr Callahan, and we're going to have an additional 15-minute round for each party.

Mr Robert V. Callahan (Brampton South): I'll be very brief. I hope I'm not maligning them, but you watch the Shoppers Drug Mart commercials and they're already doing this. They've already got everybody listed on there. Part of their selling feature is that, "Hey, I've got a record, honey," and she says, "I knew they'd catch up with you eventually." You've seen that one, obviously.

Mr Wright: I have, yes.

Mr Callahan: So they're already plugging this stuff in. They're obviously plugging the same thing in to connect it with government. They're plugging in the Ontario drug benefit program. What's being done about that? It's already there. They've got these people's records already.

The freedom of information and all that stuff, I think that's all well and good, but I find it difficult to understand why that becomes more important than perhaps coming up with a system that will prevent massive, millions, billions of dollars being lost in the health care system, Americans being able to come up here for cross-border operations, people being able to come from beyond America to have that done. I think that's the most critical issue here, not the question of whether or not somebody knows that I used penicillin last week or my age or my marital status or where I live.

We don't worry about that in the private sector. We've got collection agencies that can dun you. If you don't pay your bills within 30 days they can dun you, send it to a credit bureau and they make money on the basis of selling all this information and cutting off your credit for anything else. I think if the government thinks this is so important it should be looking at the private sector as well, but why is this so important? Can you tell me something that could cause me prejudice in terms of it being out there in the public domain?

Mr Wright: Well, I think—I have to go back to—

Interjection.

Mr Callahan: So what?

Mr Wright: Well, I guess that's a fair way of describing it, "So what," and it comes down to the matter of who controls that information and the question of whether or not I, as the individual to whom the information relates, should not have the ability to, within reason—and it's a question of balance, I fully agree with you—decide whether or not the public at large will know something about me.

In terms of the kinds of information that are available, we're now into an era where with genetic testing there are ways in which you can find out whether someone shouldn't be working in a particular environment. They may have a tendency to have a certain disease based on genetic makeup. There are very large questions around discrimination related to genetics and this kind of issue.

So we're talking about a specific example in the case of the health card and that kind of information, but it really is part of, I think, a much larger issue around information and the fact that it relates to you and where do the interests of the payor and the person who's receiving the service meet. I think there has to be an acceptance that privacy has a place in the equation, and that certainly for me is a significant part of it. I don't see it as being pure on one side or the other.

Mr Callahan: I guess I've gotten a bit of a jaundiced view of it, because when I see members of the opposition trying to perform their function as opposition people, trying to get information that is pertinent to their role, having to go through this very lengthy procedure of freedom of information to turn it up—I don't know; maybe I'm wrong, maybe I believe in a society where everything shouldn't be hidden, and if you are hiding it really are you not—I'm sorry, I think the important issue is to get this health expenditure under control, and if it's going to be delayed by the concern about the freedom of information, I think then surely there must be some way of blocking sensitive information, the technology must be there that they can keep somebody's total medical data from being shot up on the computer of whomever wants to find it out.

Maybe you can comment on that. Is there something that's being done between you and the government in terms of trying to do that, to put a block on it so that you achieve both your ends and the proper expenditure of money in the health care system?

Mr Wright: I don't see the privacy legislation as an impediment to the goal of addressing the concerns relating to the misuse of the health card system. What I see is a matter of taking into consideration some of the controls that the act contains when developing the system that is intended to be put in place.

So I guess to the extent that the act will work—and I think it will. Our office has had a lot of dealings with the Ministry of Health because it contains within its databases and other files huge amounts of sensitive personal information, and our relationship with the ministry to this point has been excellent. The role we play is a role of trying to ensure that as a factor, as a consideration, privacy does have a role to play. It is not necessarily, by any means, the only thing that's considered, and it shouldn't be, and I think our experience to date in very many examples has been that we can achieve an end result that does meet everyone's interests. Certainly for me, in my role as commissioner, I see that as a fundamental responsibility: to acknowledge that privacy has a role but it has a role to play within a larger context, and that's certainly the focus we take.

1120

Mr Callahan: I want to let our Health critic have an opportunity, but I just wanted to ask one further question. In the registration analysis project that was leaked, I guess, at page 23, the government, I guess the ministry that put this together, seems to think, and they say,

"The requirements of the Freedom of Information and Protection of Privacy Act represent a major obstacle to data sharing with third parties and will also impede verification of client information."

Now, I read that to say that they're saying, "We can't do anything until we can get around the freedom of information legislation," either by new legislation or amendments to the legislation, and that seems to be contrary to what you just told me.

Mr Wright: I may be one of the only people in Ontario, but I haven't seen that report. But in terms of the comment itself, I think it depends on how carefully one looks at what the act requires. In fairness, I think it's a reaction that one could have if you looked at the strict requirements of the act.

It may be that the act is working, and certainly I don't have any idea what the ministry would be contemplating, but it may be that some of the things that it's contemplating shouldn't take place. I don't know.

I can say that in terms of the area of data matching or data sharing, things of that nature, I understand that the government is looking at some kinds of very broad guidelines around the use of data matching, not as a means of preventing it from occurring as a matter of, "It shall never happen," but having a very careful look at the benefits, the values etc of doing this kind of project and balancing that against lots of considerations—financial, privacy and other—in order to arrive at a solution.

I guess, as a concluding comment, I don't think the act should be an impediment to something that is within what the scheme presently permits. As I say, I don't know the details.

The Vice-Chair (Ms Dianne Poole): There are four minutes left in the Liberal caucus time for Mrs Sullivan.

Mrs Sullivan: I wanted to move to the questions, again, related to the integrity of the register itself. In the last round of questions I asked you about the authority of the providers and professionals and facilities to update, change, data that are in the register, and I want to hear some comments from you with respect to cross-ministry or cross-jurisdictional information exchanges.

Certainly the government has indicated to us that it is looking at two areas for ensuring that the register is up to date. One of them is the point of service, where the health professionals are involved. The second is from other internal government sources, either within the province of Ontario or that may be from another jurisdiction, such as the federal Department of Employment and Immigration and so on.

The data in the provincial ministry records, such as Ministry of Transportation, Ministry of Revenue, registrar general and so on, have been collected for other purposes. What I think would be useful for us to know is if there are legal impediments to the cross-transfer of those data now and what kinds of changes would have to be made, whether legislative or regulatory, to ensure that certain aspects, such as addresses or other information that could be associated with determining eligibility for health services, could be integrated into the MOH system in a way that still protects the privacy of the individual involved.

Mr Wright: Again, in terms of the matter of exchanging information, there are several sections of the legislation now which contain a series of exceptions or reasons or occasions on which information can be, if you will, shared between ministries.

Mrs Sullivan: Of the FOI legislation, yes.

Mr Wright: Sorry. Yes, the FOI legislation contains that now. There is also of course the ability of an individual to be asked for his or her consent to provide the information in some other fashion. So there is that as well in the legislation.

I understand this type of thing goes on. Whether it goes on specifically with the kind of information you've just suggested or not I am not certain, but certainly there has been information sharing that has gone on between ministries. I think the question, once again, also involves the kind of information that's being shared, identifiable or not identifiable. These kinds of issues I think have to be considered.

Ultimately, the answer, if there was something that as a matter of public policy we wanted to be done, the way to do it, if the act didn't provide it, would be by way of some form of statutory amendment. To this point, the legislation in Ontario has been in effect since January 1988. I think it's fair to say that government has continued to do business since that time and has done it within the context of what the act permits and doesn't permit. I think that speaks well for the legislation and its workability, but if for some reason there was something specific that the act just contained an absolute prohibition—and quite honestly I have trouble imagining that, but if that were the case—the vehicle would be by way of amendment.

Mrs Sullivan: I have a question — I don't know if it's for you — but who owns the health card itself?

Mr Wright: I don't know. I haven't looked at my card. I don't know if it has any of the kinds of things on it that, for example, a credit card would have, which clearly says the credit card company is the owner of the card. I don't know what the health card has on the back.

Mr Jim Wilson: Nothing.

Mr Wright: I don't know.

The Vice-Chair: We'll go to the Conservative caucus, Mr Wilson.

Mr Jim Wilson: I just have a brief question, and perhaps, Mr Wright, you can't answer it, but Mr Decter was here last week suggesting that the government over a long period of time is going to be introducing photo ID on the health cards. Have you looked at that at all with respect to fraud? I know fraud is not really your mandate, but I know Mrs Sullivan and I are meeting with Quebec officials on Friday, because they've moved in that area. The preliminary discussions I've had are that in fact it does not solve to any significant degree the fraud problem, particularly in Quebec, because they've given so many exceptions. Some seniors, I understand, aren't required to get cards, disabled people aren't required to have photos on their cards and children under a certain age aren't required to have photos on their cards, so there are large segments of the population completely left out of the new system.

Have you had any discussions or any thoughts on the photo ID system? Because from a taxpayer point of view, I think we're going to spend a lot of money and a few years from now we'll probably be having similar hearings with respect to the new photo health cards.

Mr Wright: Within our office we've had discussions around the views that each of us holds around the photo health card, and I think, once again, you've pointed out one of the real considerations, and that is, will the fact that a photo appears on the card achieve the purpose for which it was intended? In this case, obviously it's the notion of fraud, and we have not put our minds to that particular question.

Once again, I think, as a privacy commission, the notion of photo identification, even though we've all walked around for a number of years with a photo card with our driver's licence, is something that sets off an initial reaction of opposition. However, I think my answer might be a little different in terms of our view of the use of a photo card if in fact the controls weren't

in place around the use of the card, the number and, I believe, the photo. In other words, it's restricted to health-related purposes. I think that's a very important element to factor in, from our perspective at least, in terms of the merits or lack of same, if you will, of a photo health card.

Mr Tilson: Dr Frankford has referred several times to the Sault Ste Marie project, and he's now told us a little bit about what goes on in England. I think it would be useful, Madam Chair, if research did tell us a little bit—not taking away from Dr Frankford's comments, and I accept what he's saying, but I would like to know a little bit more about another jurisdiction that has gone through this process. It might help us—

1130

The Vice-Chair: Certainly we could ask our researcher if he would get that information for us.

Mr Frankford: The UK has 90 years of experience in registration.

Mr Jim Wilson: If I may add, Madam Chair, particularly re the eligibility question, when you have a cardless system—I think I understand what Dr Frankford's been telling us to a certain degree. I don't understand, for instance, how it would prevent American patients if we had a cardless system in Ontario, or ineligible people, from accessing our health care system. They must do something in Britain in terms of listing the population so they know who's eligible for health care.

Mrs Sullivan: They're on a roster.

Mr Jim Wilson: They're on a roster system clinic by clinic, as I understand it. The burning question in my mind is, okay, I'm ineligible, but I try and go to the clinic anyway. Does that mean they turn me away? I assume it does. So how is a cardless system any more humane than what Dr Frankford alleges our system is?

Mr Tilson: I don't want to get into a debate with Dr Frankford, I just want to find out about it. So it would be helpful if in due course research could provide us with that information.

Sir, in reading the paper of April 1993 that you prepared, you talk about a coordinated strategy, as you have this morning, or the recommendation of a coordinated strategy; you talk about developing a technology to protect privacy; and then you start talking about a number of other things, such as, "Data subjects should have the right to participate in the determination of what personal information the card contains and who has access to it," and you list off a number of other things. I almost get the impression that it is impossible to have a card that's going to completely detect fraud. In other words, you either tell all or you don't tell all. I mean, how can you have it both ways?

Mr Wright: Again, in the context of fraud, I have not, obviously, and neither has our commission, looked at the issue of what will prevent fraud. We've not looked at it from that perspective. We've looked at it from what we feel are the issues that should be addressed in the development of such a card, if that's in fact the decision that was reached. But in terms of the merits of a card vis-à-vis fraud, we have simply not put our minds to that.

Mr Tilson: As someone has said, there are toys for everything. There are toys to get around satellite dishes. Somebody even told me that this new phone system where you can determine whether someone's phoned you or not, there's another gadget that will block all that out. It's like Star Wars.

Mr Wright: The caller ID example is a good one. There's call identification. If you block it, there is now block the blocker so you don't take the call. I think that's again the same.

Mr Tilson: It's a game of chess, which gets back to the question that—there are two issues: There's the issue of fraud, which means do we really have to go through all this, do we have to have all these fancy cards; or there is the providing of information to assist the providers in, I guess, assisting people. Also, if the state is going to be paying for the service, maybe they should be entitled to that. It gets back to my initial question. If the public is going to require complete state-run service, then they may have to surrender some of their rights, because, if I read your paper, it's almost impossible for an individual to say, "Well, you're entitled to this information but you're not entitled to this information." How in the world is a state going to provide a service?

Mr Wright: I think, Mr Tilson, the question is one around absolutes. I suspect that there's probably no absolute answer to the question of fraud, no matter how much information you would gather about a citizen. I think, for us, that's why we raised the privacy issues. Just because I may have every last ounce of information about you doesn't necessarily mean that you are entitled to use the card in the first place, and I think that is a fundamental question. I would agree with you to that extent.

Mr Tilson: It leads to all kinds of things. There's a current debate that's going on now about a patient being entitled to his or her files, the doctor's notes where they say certain things, the handwritten notes, are they entitled to those things? Perhaps Dr Frankford can add to that debate. Some say yes and some say no. Are we getting paranoid about our privacy?

Mr Wright: I think what we are perhaps doing, and I think one of the roles of commissions like ours is to raise the awareness so that when the public debate is held, such as through members of this committee, the committee is exposed to all elements of the equation, you hear the privacy side, you hear the side of the technicians etc, and in making a decision, you make a

decision which reflects the public mood, if you will, as far as this kind of information is concerned.

Mr Jim Wilson: Mr Wright, I was just wondering, given that we're told that the Management Board secretariat is pursuing, to some degree anyway, one card for the citizens of Ontario, as a matter of practice, are you regularly having discussions with them or are you absolutely in the loop with respect to privacy considerations, sir?

Mr Wright: I guess what I could say is that we put ourselves in the loop and we've had the cooperation. I think there has been a history of working together once again. I don't think, in terms of the ministries themselves, that they ignore the privacy considerations. I think there's respect for those considerations. I think the challenge, as I think I've said repeatedly now, is to find sort of the workable solution to some of these issues, so I'm satisfied that we work with it.

I think there's an understanding in the relationship we have that at some point our independence would require that we take a public position on something which may not be along the lines of what's been discussed. I think there's been respect for that as well, and to me it's worked well.

Mr Jim Wilson: Thank you. I think that concludes our questions.

The Vice-Chair: Just before we go to the government caucus, the auditor has a question for Mr Wright.

Mr Erik Peters: Just a very quick one. You indicated that excellent working relationship exists between your office and the Ministry of Health. In the document we have, a joint working group has been created to deal with the agreement between the Ministry of Health and the OMA. In this, they have the following sentence. I just wondered if you are involved in this.

It says: "In exchange for a one-time payment of claims under the J8 policy," whatever that is, "physicians will be required to provide to the Ministry of Health the number and other corroborating information about the cardholder. This mechanism for providing this information will be developed by the MOH-OMA joint working group."

My question's just a very quick one. Are you involved with this working group? It sounds like a rather complicated situation. If I take what you have just told us, the information about the cardholders owned by the patient, and we are now having the physicians paying the ministry for the right to provide this information, it sounds like a rather complicated setup. I was wondering if you were involved in any way in this particular arrangement.

Mr Wright: Not to my knowledge, no.

The Vice-Chair: We'll go to the government caucus. We have Dr Frankford, Mr O'Connor and Mr White. Would you like the time divided evenly or—

Mr O'Connor: No.

Mr Frankford: If I could just briefly respond on Sault Ste Marie. If you have a capitator system, then your downside risk is the capitation amount. Sault Ste Marie is an HSO right now but it could become a CHO, which just means that it adds in the hospital care which is lacking. So, in that situation, the most that we could lose would be, say, $1,600 per individual. I can elaborate but I don't want to tie up on that.

I think the potential for a cardless system is there. The interesting thing about Sault Ste Marie, of course, is that it's on the border, and as I understand, a fair number of Americans are using it right now and it can be a very interesting survey to see to what extent they are acting in good faith and not defrauding. Mr Martin perhaps can elaborate at some future occasion.

Just one question, going off this: I think you may know that the suggestion has been made that patients should get a statement of the services generated on their behalf. There's a lot to be said in accountability, but I think one can think of all sorts of situations where they might not like it. As the father of teenage daughters, I can think of some possibilities there. Do you have any thoughts on the privacy concerns around that suggestion?

1140

Mr Wright: Thinking back to when the new health card was introduced, my recollection is that one of the features was the fact that each individual would have his or her own number as opposed to, I believe, the earlier situation, which was that it was issued to a family. Therefore there would be enhanced privacy in the sense that communication etc would take place with that individual.

I would assume that an account being sent to an individual who's had some form of health service would be addressed perhaps even to the same family address, but at least to the individual. It's hard to think how much more you could do around the fact that someone else might open that mail or something of that nature. I guess that would be my reaction to that. At least there's the advantage that it's addressed to the person who received the service, which to that extent is I think a positive.

Mr O'Connor: I guess I'd like to look back a little bit. I think we need to learn from the past. If we look back, we see that the system we had in the past wasn't the best. There are 26 million active numbers out there. That wasn't acceptable, obviously, and the previous government moved to correct that, you know. Of course, that wasn't without any mistakes. There still is the potential for fraud to happen. I guess part of the difficulty that has been pointed out to us is that there's been a lack of verification in the processing of the registration cards.

Of course, then it brings us into some privacy questions as well. If I can, what I'd like to ask you is, are there any improvements you can think of that we as a committee should be recommending to the ministry? Should they move forward with a reregistration? What can we do to improve that? It could perhaps be in the verification process, which isn't of course going to complicate things by problems of privacy and interfering with people's rights that way.

Mr Wright: I really have not considered the question of how initial eligibility is determined. I don't feel equipped to really comment on the what the ministry might do. I think you've made a suggestion that questions of verification and the way in which it's done would obviously be something the Ministry of Health would wish to look at. Once again, the concern at that point I suppose would be what the privacy legislation does by way of that particular activity. But as far as the merits and what to do, I really don't have a comment.

Mr O'Connor: In the verification process, in moving to the next card that we do proceed with, if that's the end solution to this, is there anything that sends up a flag saying that you think the government should watch because we may be stepping on people's privacy rights in going through this? Is there anything that comes—again, there's probably nothing at the moment but maybe—

Mr Wright: I think one question that does arise, and it flows from the code of fair information practices, is the degree of verification that actually is undertaken. How much information has to be collected in order to verify? That's something that I suppose jumps to mind immediately, a decision being made as to the kind of information that's actually needed to achieve the purpose. I think that's a very important part of privacy protection.

Over the years, we have worked with ministries around the information that they ask for on forms, and it's surprising to see, when our office gets involved in that kind of exercise, when asked, "Well, why do you get this kind of information?" "Gosh, we don't know and we don't think we need it." I guess what we hope will happen is that if a verification system is in place, there will be conscious thought given to how much is necessary to achieve the purpose of verification. It doesn't necessarily mean emptying out your wallet, for example, in front of someone and them picking through and taking whatever they want. Once again I think the issue is, what will achieve the legitimate ends of the exercise?

Mr O'Connor: Do you see any problem with the present system having that unique identifier being used as a tool for planning for health care into the future? That's an element that we as a committee and the Ministry of Health, I'm sure, need to use as some sort of a planning tool. Do you see there being a problem in using that unique identifier through the data collection process?

Mr Wright: I guess I would question why the unique identifier would be a consideration at all. I think, as I believe I mentioned earlier, for planning purposes etc you may wish to know how many operations of a particular type are done in a particular area. You can do that without knowing name, number etc; you will have an aggregate figure. It takes away the personal information issues.

Mr O'Connor: I guess there have been problems in verification that will allow, then, a substantiated study to take place epidemiologically. That's what we've heard, and I guess that's why the Manitoba system that has had a unique identifier has given them some advantages as well.

Mr Wright: I believe that the Ontario legislation permits studies etc to be done with personal information involved. There's a specific exception contained in the legislation which permits agreements etc to be entered into, which permits this kind of activity.

Mr White: I'd like to get back to some of the concerns I was talking about with you earlier, and frankly they were raised again. My understanding is very simply that the protection of privacy and the prevention of fraud are not antagonistic to each other, that people's private information can remain confidential and that the state, unlike the suggestions from the opposition, does not have to intrude upon people's confidential information to get the information it needs to prevent fraud. Frankly, I think your rule should, if anything, be enhanced.

The issue that my friend brings up, that fraud is being prevented and there's much less than there was in the past, but no matter how much fraud there is it still needs to be prevented, that health cards have to be monitored and that there has to be some system to prevent abuse of that system, I think is very real. But I think your point is also real, and it doesn't seem to have sunk in that the protection of privacy does not mean somehow that there's a condoning of abuses.

You've talked a bit about the smart cards and the difficulties with that. I was certainly very interested in that. I wasn't distracted by the suggestions opposite that somehow your role should be annihilated, that people's protection should be eliminated and that information should be sold holus-bolus in the private market, but rather I think that your role should be enhanced. I'm wondering how you would see that, what kinds of suggestions you would make in terms of making the protection of privacy something which everyone feels they have a right to, particularly in these technological days when, with smart cards etc, people really need to have an understanding of how these technologies impact upon them.

Mr Wright: As Ms Gore has very helpfully pointed out to me, one of the things we mentioned in that smart card paper is the idea of a privacy impact statement at the time any of these new technologies is being contemplated. I think the reason we said this is that it's very difficult for public policy or laws to keep up with technology. Literally by the day, by the hour probably, there's something new in place that has some privacy element to it. Coming at it from a privacy perspective, once millions of dollars have been invested in the development of a technology is probably not the best way to approach it.

So what is happening, certainly in the telecommunications area—it's happened already—is this notion of a privacy impact statement which will in fact assess, among other considerations, clearly what the technology may mean for the privacy of individuals. This will be something that's there, it's done as a matter of routine, it doesn't require legislation and it creates the awareness that you want of the privacy implications.

I think Bell Canada, in the caller-ID example, which became a major privacy issue, was totally caught by surprise with the reaction of consumers from a privacy perspective. They have recently made application—I find it very interesting—for an enhanced form of service, and a very important part of that application is now the privacy element: how they thought about it, what they've done to address it. I think this tells us that creating an awareness will work. I don't think any private companies are interested in investing millions and millions of dollars in something and then finding, when it gets out into the public, that there's a cry from the public against it and they end up being faced with an investment that's simply been wasted. It's in everyone's interests, I think, to have that kind of a statement, and that's certainly one way we have seen that could be achieved.

Mr White: These days, when we have so much technology changing so rapidly and many people have difficulty keeping up with it and understanding what the impact is, your role becomes much more crucial, because not only do you have to have an understanding of the technology but you also have to be able to help people understand how it impacts them and do that in language they can understand and help people understand that sometimes this technology is okay, providing these safeguards are in place, and that you have frankly checked that this is the case. But I think that makes your role much more crucial than it would have been, say, a scant decade ago.

Mr Wright: I think it's an excellent comment in that the developments are taking place at such a quick pace that you need, if you will—I'll use it in all senses of the word—a dedicated commission, part of whose role is to look at these kinds of issues because members of the public simply can't keep up on a regular basis with what's happening until possibly it's too late.

Mrs Sullivan: I have a point of clarification that I'd like to put on the record before we go into sessions this afternoon. This follows from the auditor's question to Mr Wright with respect to the OMA agreement. If I can just describe what that section 11 means, it means that if, say, on January 1 a person receives medical services from a doctor and on January 15 the eligibility is denied to that person—after investigation that person is found in fact not to be eligible for health services—the doctor would still be paid for the services that were provided before the person was declared ineligible, even though he was in fact ineligible before, but the doctor had no way of knowing that. That's really what that means.

We have other questions that we want to put to the OMA this afternoon with respect to that section, not the least of which is whether in fact it has the right and the authority, under its own professional standards, to provide the data that have been included in the agreement. I think that's another area to pursue, but I just think there was a misreading of that section and, before we go down a big track on that, what I think the auditor implied wasn't part of the agreement.

The Chair: Would you like to comment on that?

Mr Peters: I just read the section and I wanted to find out if this joint working group, if the privacy commissioner was part of that, and he's not.

The Chair: Any further comments in the few minutes that we have remaining? If not, we are adjourned until 2 this afternoon.

I would like to take this opportunity to thank the privacy commissioner and his staff, who are appearing before us today. You've provided some very interesting food for thought. Thank you very much, once again.

We're adjourned until 2 pm. I ask members to please be prompt as we have a very lengthy schedule this afternoon.

The committee recessed from 1155 to 1407.

ONTARIO MEDICAL ASSOCIATION

The Vice-Chair: Good afternoon. I'd like to convene this session of the standing committee on public accounts and I'd like to welcome to our committee this afternoon Dr Tom Dickson, president of the Ontario Medical Association, and Mr Peter Berwick, director of administrative services. Have I got that right, or have there been any last-minute changes?

Dr Tom Dickson: No, that's correct.

The Vice-Chair: If you would like to just identify yourself for the purposes of Hansard and then begin your presentation, and we are hoping that you will allow sufficient time for members of the committee to ask questions at the end of your presentation.

Dr Dickson: Absolutely. I'm Tom Dickson. I'm the current president of the Ontario Medical Association.

What I'd like to do is basically go through in a relatively informal fashion. I don't want to read something at you. I think it doesn't foster discussion. We are pleased to be here. We will offer some suggestions and there will be lots of time for questions. I'd like to give you a provider perspective, because we deal with the health card on a day-to-day basis.

What I'll go through is an oral presentation describing the attitude and concern of my member physicians, the impact of the version code enforcement, some general principles and then some absolute specifics on long-term solutions to the fraudulent use of the health card. I'll then make some comments about counterfeiting of cards and some methods that might be used to counteract that, and finally some suggestions on some short-term measures that you might put in place pending a more permanent solution.

As I'm sure you're all aware, at the recent negotiations between the OMA and government under the context of the social contract, the OMA raised the issue of health card fraud and posed some various solutions to it. We have a very specific motivation for that, number one being that we are now responsible entirely for increases in utilization as a profession, and anything that might be able to drive down that utilization is obviously in the profession's interest. In addition, we were looking for a fix, if you will, for the version code payment problem. I'll get into that in some more detail later.

Most physicians do see some degree of health card fraud directly, and I'll give you a few anecdotes in a moment. Physicians are somewhat frustrated. We understand that the dollar numbers are indeterminate but they're significant, while at the same time with these significant dollar amounts out there, we as a profession are being asked under the terms of the social contract to reduce the amount of expenditure in the system by about 5% for eligible cardholders. So it places us in an awkward position fundamentally when we're restricting care to people who in fact are entitled to it when there are people who presumably are not entitled and we can't identify them.

We are not in a position—and I'll repeat that: we are not in a position—to estimate the total amount of dollar fraud. We have no idea. There is plenty of anecdotal evidence that I hear from my colleagues on the front lines of health care delivery; for example, non-residents to Ontario borrowing a valid card, and currently we have no way of detecting that. We refer to this often as the so-called medical holiday, with individuals coming from overseas, visiting someone here, borrowing their card because they didn't carry any out-of-country health insurance from their home country, obtaining rather expensive health care and then returning to their home country. We only have anecdotal evidence of that, and unfortunately everything we have in place doesn't track people unless they're picked up accidentally right now.

We also have the problem of non-residents using a fraudulent address in their application and getting a card to which they're not entitled. This may be more appropriate to border areas or cottage users.

The final one is the area of forged cards. I don't think any of us really have a good idea on what the numbers might be.

In February of this year, the government made a decision to enforce the version code. There was always an understanding that at some point in time it might be enforced. In February, the version code was enforced. Essentially, the concept of the version code is simply a method used to make any replacement card different from the original. It simply identifies the replacement as a different card while still maintaining the original 10-digit number. I think we all understand the reasons for the personal identifier, the 10-digit number: so that you can do tracking, you can do some decent health research and monitor trends, which we have not been able to do with the old OHIP database.

There was an assumption made at the time that old cards, ones that were not taken out of circulation, that were not being rendered inoperative through the enforcement of the version code, were being used fraudulently. I think that was a mistaken assumption. We do not believe those cards were being used fraudulently, by and large, and I think the ministry's own data will support that. I'll go into that in a bit more detail.

As a consequence, what was happening beginning in February is that patients were presenting with a card in a physician's office or a hospital or at other providers, anyplace where they use the card for services. They believed the card to be valid. Six weeks later, once the payment cycle went through, the claim went unpaid. It was coded as an EH2, which is the code that's used to indicate that there's a version code problem. That left each provider and each hospital struggling to backtrack and try to find these individuals and let them know that the card they presented in fact had a version code and that the card was not valid.

We understand, talking with my colleagues anecdotally and also from ministry data, that ultimately about 90% of those codes that are rejected are eventually paid. So at least 90% of those people were obviously eligible; they eventually proved their eligibility.

Of the remaining 10%, I think conservatively we could probably estimate at least half of those people simply couldn't be tracked down. The major problem in tracking down occurs not in a fairly stable practice like a family physician might have or even a consultant like myself who sees people only on referral, but in emergency departments in hospitals, in walk-in clinics, after-hours clinics, that kind of situation, where it's a one-time-care event and very difficult to track people who

might be from out of town or from quite a distance away. Our emergency physicians and anaesthetists in particular notice this quite dramatically and find a very significant percentage. For some people, as many 20% of their claims in a given month were being rejected because of an invalid version code, because they were seeing a self-selected group of individuals.

So from personal experience in my own office and asking my own secretary this morning how she had done in tracking down version codes, almost all turned out to be simple communication errors. The patients simply didn't know they had a card that had a version code on it. That might seem pretty obvious to most of us that you'd look at the card and there would be a code down on the bottom, but, first of all, patients didn't differentiate between their original card and the replacement card because it wasn't brought to their attention that the version code was important.

The second thing is that a lot of people do not carry their cards. A mother with six children visiting the doctor doesn't go around with a stack of cards with a rubber band around them. She usually writes down the numbers in sequence, and the husband usually has the numbers written down; so does the grandmother and possibly the babysitter. So they all have the numbers written down so that they can be used. Nobody walks around with a stack of cards.

As we all know, people who present to hospitals now don't present with the health card because they've been given a hospital card which they think entitles them to care and is sufficient proof. That's leading to problems as well.

All in all, we believe the fraudulent use of health cards that's being eliminated by version code enforcement is very low. In fact, I don't think it has served the purpose which we thought. Version code enforcement is cleaning out duplicate cards; there's not much doubt about that. But it's having very little effect on fraud.

What enforcement of the version code has done is placed a very large administrative burden on physicians and other providers. Hospital radiology departments are another group that has really had great difficulties.

It generates complaints of harassment from our patients when we go after them afterwards and try to track them down and find out what the true card number is and what the version code is. Frequently, we get complaints from the patients that they feel they're being harassed unfairly, that they're entitled to care and the health card they presented should do that. So it isn't solving the problem and it is creating some anxiety among some of our patients.

It's frustrating for us to deal with version code rejects while on a daily basis we experience or at least suspect strongly that there is card fraud that we are helpless in dealing with.

Some suggestions now. We don't have all the answers, and I don't think it's that easy a problem. If it were, somebody would have solved it already. It's not our system, it is the government's system, but we are committed as an association to helping, if we can and if you'll let us help, to solve some of your problems.

Over the longer term, some general principles for solving this would be to control fraud at the point of issue of the card. I think that's key, to zero in on the issuing of the card in the first place and not at the point of service. It's difficult to ask physicians or other providers to police the system. We're not trained to do that. We find it uncomfortable.

How we might do this, in general terms: redesigning of the card itself enabling some validation of the card by the provider, a more rigorous control of distribution, and a more rigorous validation of eligibility.

I believe David Cooke a few weeks ago in a press scrum referred to the granting of a health card as the passport to the health care system. Possibly we should look at the controls and the significance of those controls and proof of who you are in granting a health card, as we do currently for the granting of a passport.

Specifically, we would recommend:

(1) A photo ID card. I have a sample I'll pass around. It has Peter Berwick's photo on it. It's just an example of what a photo ID card might look like. What a photo ID card would do would be to eliminate the loaned card, the medical holiday provision where someone lends his or her card to someone else inappropriately. It is the only credit card we carry where someone else pays the bills. So there is no downside risk to lending your card at this point; at least the public have that perception.

It contains a digitized image which is directly imprinted into the card. It's not something glued on to the surface but imprinted right into the card. That image could be stored. If it's a digitized image, it could be stored, and when a new card is issued, the replacement card could be compared to the original photo and could be verified. This would again stop one of the ways in which people might try and get a card they weren't entitled to.

(2) Thorough registration checking. This is basically to reduce the granting of cards to non-residents of the province who are fraudulently applying for a card. We're suggesting that people should apply in person to designated sites around the province where there would be a video camera that could record this digitized image. This could be done in hospitals, in clinics, in post offices. You could make up a list as long as your arm about where it might be done. There would have to be proof of residency. We have some examples of what Quebec goes through. They do go through a very similar process, with very tight constraints on whom

they grant a card to and proof of identity. I don't know if you've seen these documents, but we can pass them around.

1420

What we're suggesting is very similar to what they have in Quebec right now: not only providing proof of residency, but they have to provide other pieces of evidence to prove they are who they say they are, generally something that has a photo ID on it, such as a driver's licence or some other notarized piece of identification. It's not dissimilar from how we grant passports right now.

Thirdly, electronic cross-referencing: There are databases around this province. We all understand that the database is somewhat corrupted right now, with 26% of addresses being incorrect. We do have databases that might be able to help confirm residency, cross-referencing to people who have died, even the telephone directory, telephone listings, postal codes, electoral rolls. There are many other databases that are available to government. I think there's been some reference to those in the past that you might look to for confirmation.

The fourth area, and probably very important, is public education, because right now the public doesn't understand the consequences of misuse of the card. They have to be told that the card is important. When we started with the version code in my office, probably half of individuals showed up without the card. It's much higher now, but it really should approach 100%. I think government will have to deal with the whole concept of presenting the card for care. Should or must that card be presented? That's a political decision. I think government will have to struggle with that.

I think we have to emphasize to the public the accountability of the card. In other words, they are accountable for how that card is used and the consequences of misuse, such as lending the card to someone else, the change of address requirements and trying to clear up that 26% of the database which is incorrect on address. The Ministry of Transportation does the same thing on a regular basis. They simply do it through penalty if you don't, within a fixed period of time, change your address for your driver's license. We need to prosecute offenders in a vigorous and public way. Again, that's part of public education.

If all of the foregoing were carried out, it's likely we're left with only counterfeit cards. In our view, and I think most would agree, it's extremely difficult to stop the true criminal intent. Gun controls and handgun controls haven't stopped the proliferation of handguns in this country. I think it's very difficult to design any system that might stamp out entirely the criminal element, but you can make it more difficult.

To deal with counterfeiting, the digitized photo goes some direction towards that, although the technology is not that sophisticated. There is a hologram on the image such as all of us have—I think if you have a Visa card it usually has a holographic image on it which makes it a little more difficult—and an engraved signature on the card so that you could ask for validation. My Jumbo Video card has a signature right on it and there's a warning on the back about misuse of the card. Something as simple as that has some tighter constraints and controls on it than the current health card. We should continue the mag stripe on the back and it should have encoded all the information that currently appears and might appear on the front of the card in the future.

Now something about smart cards, and I understand others have presented some information on smart cards: Our view is that smart card technology does hold great promise but in the real world has demonstrated some difficulties and limitations. It would require the placement of hardware in every single provider office—every hospital, every pharmacy, every clinic around the province—and would likely be very expensive. It would require real-time entry of information so that there could be validation of whether the card was being held properly. That means an on-line access to the ministry database. Again, that may be rather difficult.

Data entry is important. Unfortunately, when you think about how we enter data on a smart card, if the goal is to in fact have valid, up-to-date health information encoded in a chip on a card, every time the patient leaves the office that information must be on the card before they leave. Trying to track them down and encode it afterwards would probably prove impossible. We know patients have difficulty bringing their card in all circumstances, particularly in emergency care. That's the last time people think of trying to drag up their card and find it.

If patients are uncomfortable about waiting to see their physician in the office, they'll be more uncomfortable waiting after the visit to have their card encoded with the data from the visit. That will take time. I can't tell you how long it might take. Some visits could be very brief, but a psychiatric consultation could take a long time to encode in a meaningful way on a card.

Our concern would be that over time the data on the card would become corrupted. It would either be out of date or it would be missing essential data, which would be just as bad, because then you'd rely on that data and some fundamental mistakes could be made. It holds promise, but it has significant problems.

On the version code, since the version code has been designed as the only way to really differentiate a replacement card from a card that's been lost or stolen or destroyed in some fashion, it could be done in other ways, either with an issue date which is going to be unique to that card or with an expiry date which, again, is unique to that card.

There will be problems that arise if in fact the version

code, or whatever its successor is, is used to deny payment for physicians. I think I already made the point, and I hope well, that enforcement of the version code does not really eliminate card fraud. It simply helps cull out the duplicate cards in the system. But these are from people who legitimately are eligible, as at least 90%, if not 95%, are entitled to care. Denying payment really is denying payment for services to people who are eligible for care.

What we would suggest is, why not simply notify the cardholder if a card is used that is invalid because of an expiry date problem? Notify the cardholder that their card is invalid, what mechanism you might use, whether it's the mail, whether it's the provider route. Ask for the return of the card and warn them of the consequences of continuing to use a card which is invalid.

Unfortunately, all the previous measures cannot be in place overnight. There will be some period of time to put some of these into effect. We appreciate the problem. The ministry staff have worked very hard to try and solve many of these difficulties. Peter and other staff have worked down at Kingston and tried to help as much as we can. We appreciate what the ministry is trying to do, but it's not an easy problem.

As a start, we would push very hard and would suggest that the implementation date of August of next year for the photo ID card be maintained, if not moved up. We've heard rumours that it's very difficult to meet that August date and that it might slide further back in time. We would hope that won't be the case, because if we're trying to keep utilization of the system down, every month we lose just costs us all more money.

We hope that the government will stick to the three-year time frame as promised and not slide up to four or five years. Again, it has been rumoured that it might take longer. We would suggest that in handing out the photo ID cards we target people who currently are without some sort of photo identification such as a driver's licence and those currently holding cards with version codes on them, because these are people who clearly have demonstrated some instability, at least in their card validation in the past.

As in our agreement with government, we would like to have the regulations in place that will allow providers to ask for a second piece of identification with a photo, if in doubt as to the validity of the card or the cardholder. If unable to confirm, it would allow payment directly, a deposit, if you will, from the patient seeking care. There are problems with this. It will be difficult to work in the real world.

But the physicians do need—and not only just physicians but the other providers and the hospitals—regulatory protection, as agreed to in our current agreement with government, before we can suggest to our members that they actively challenge suspicious cardholders. It's an awkward proposition in the first place, and unless we have some backup and some regulatory protection, it's difficult to ask anybody to do that.

On card verification, the ministry has signalled its intent to cancel coverage or eligibility for a significant number of people, upwards of 140,000 people, some time this fall: refugees and visa students and other individuals who are felt not to be rightful holders of a card. Some of these will be cancelled for other reasons, such as cross-referencing the database, and we would hope that people who aren't entitled will have their coverage cancelled. But there must be a means to check the eligibility at the time of service, not 6, 8 or 10 weeks later.

1430

The interactive voice response system—and I understand you saw a demonstration of that—is a solution but, quite frankly, we don't believe it is a particularly useful real-world solution, because I understood it took some time for that demonstration to work here. We believe that in a busy office, if you're trying to validate every card, it will take an interminable length of time and simply slow down the entire process. We don't think that it, in the long term, offers the best solution.

We think the preferable route would be to use a swipe card reader with an on-line linkage which would confirm eligibility and, if it's an ineligible card, get a response message back from the ministry giving permission for the provider to confiscate the card. We need to have some direction. I don't want my members out there making ad hoc decisions on a gut feeling as to whether someone is holding a valid card or not. It's just an untenable position. We can't leave it up to the providers to make a judgement call.

That's the end of my formal comments. Peter and I and some other staff who are along with us would be glad to take questions.

The Vice-Chair: Thank you, Dr Dickson. We've got just under an hour for questions, so I thank you for leaving that time. We'll have 15-minute rotations to begin with and we'll start with the official opposition, Mrs Sullivan and then Mr Callahan.

Mrs Sullivan: I guess I'm going to start with your preamble, because I think that the committee was somewhat shocked to hear from the mouth of the deputy minister the other day that indeed there was no long-term strategic action plan in place with respect to either one of the two sectors of health card detail that we've been looking at, the first with the verification of eligibility through the registration system and, as the second, the ultimate place of the database for use in health research and health care planning.

Given that circumstance, also I think that the committee felt that in fact we did not have and there is not a picture of how much health fraud exists in the system.

There has been no measure of that. The internal ministry study was an extrapolation of a worst-case scenario, using all areas of exposure that the Ministry of Health may be subject to with respect to the cards, and probably the least work had been done in the area of health care fraud. As you say, anecdotal information is available, but very little actual data is available indeed for an action plan to be based on.

As a consequence, we were also then taken aback to see that it's a major part of the OMA agreement process to deal frankly with the fraud issue. The photo card was on the table. The ministry itself estimates that introduction of that card would probably be a $50-million project for the card alone without any question of the cost of implementation, whether it's by regional centres or a central place for the processing of registration etc, and that it would be a timely one. There has been no cost-benefit analysis done and indeed there is no indication of whether a photo identification card would solve what is perceived to be a problem and if the problem is as extensive as it would cost to perhaps solve it.

It's there in your agreement. The OMA, as part of the agreement, has identified—I understand it was the OMA that identified the photo card, but you may want to correct that—one technology as the preferential technology to deal with what is a very nebulously understood and certainly not measured problem.

How would you comment on what our observations have been so far?

Dr Dickson: To start off, it's sort of the direction in which I might handle it. First of all, the concept of a cost-benefit analysis: I wouldn't even venture into those waters and won't, only to suggest that we all understand that the numbers are fairly large; they're significant numbers. We've seen estimates across the map, and anything that reduces that, of course, we're going to save money.

More importantly—and I think this is for the longer term and we may get into some of this discussion later—if we're going to do any reasonable kind of health care planning in this province and look at outcomes analysis and whether we're getting the bang for our buck on what my members provide, if we have a corrupted database that doesn't let us track people properly, then we are really whistling in the wind. We just don't know what's working and what isn't working. So to have a good database to work from is probably a more important reason for getting in a good card system that we can maintain.

I don't think the health card is a solution all by itself. I think registration at the point of initially granting the card is probably where it really has to be tightened up. As we all know, when we replaced the original health card with the new red-and-white one, there was a bit of a rush and people were getting new cards by mail by providing the old OHIP number. We all know that there was something like 26 million or 28 million OHIP numbers extant at that time. It was a process that was rather loose at the time, so we have a legacy that needs to be cleaned up, and unfortunately, it's a legacy I don't think we can tolerate.

Mrs Sullivan: I concur with you that the database is the purpose of the system and that is why government action has been taken in the past and why it's a positive thing to continue getting it right so that the entire system can be used appropriately in planning and outcomes analysis and so on. But I suppose the question is, as the database is being introduced, there has to be an enormous equipment upgrade in terms of electronic equipment and computer links and so on, and that's costly. Why wouldn't you put the $50 million for a photo card into technological update rather than into a photo card?

Dr Dickson: Peter, do you want to take a run at that?

Mr Peter Berwick: Part of the problem related to the technology upgrade is that every physician would have to be trained in how to use it, their staff would have to be trained in how to use it and at the moment, while there's a majority of claims submitted electronically, it's not always convenient to use that technology at the time of providing the service.

The health card with the photo ID was thought useful, and I notice a number of you were looking at me and holding up the card at the time, and this is precisely what physicians do in the office when they want to prove a card is in fact valid.

Mr Callahan: We weren't sure it was you.

Mrs Sullivan: We thought it was your younger brother.

Mr Berwick: Thank you. I had more hair when the photograph was taken.

So you're right, there's a tremendous capital cost involved, a tremendous training cost involved and there have to be standards that can accepted and used throughout the health care system by pharmacists, by physicians, by the ministry itself, and those standards put into place before a universally accepted technology can be embraced, and we're a long way away from that.

The problem is that we have to address the problem that faces us today and a photo ID is seen to be the most immediate solution, given that the information on the mag stripe can be used by those who have card swipe readers, and the photo ID can be used not only by them but also by all of the others. So technology has a place to play, but we're far enough away from it that we have to put something else in place in the meantime that has a long-term benefit, and a photo ID will have that in addition to having a more immediate benefit.

Mrs Sullivan: But you're seeing the problem as one

of fraud when in fact there's been no measure of the amount of fraud.

Mr Berwick: That's correct, and I have no idea as to what amount of fraud there is. However, it is my view that by being able to compare either an image on a screen or an image on a photo ID card against the individual presenting the card, there will be a significant reduction in the opportunity for fraud, and we will all benefit as a result of that.

Dr Dickson: Just an add-on to that: If we look at another jurisdiction in Canada with a similar system—Quebec, when they brought in their health card system and brought in a very tough registration system, a lot of people who were sent mailings to come and get their replacement card didn't show up, and they reduced significantly the number of cards that were out in circulation. Now, you can't draw hard-and-fast conclusions from that, but there's an assumption that a lot of people out there had cards who were not entitled to them, and I don't think Ontario would be any different.

1440

Mr Berwick: May I make one more comment? One of the examples in developing the health card in the swipe card technology is already proved in the tests at the Toronto Hospital, that use of the card swipe readers at the admission desk—and there's a Ministry of Health office located very close to that admissions desk—when people had their cards swiped, the system revealed within six seconds, as you saw, that the card was invalid for some reason. The individuals who presented the card were then asked to go to the Ministry of Health office because there was something amiss with that particular card. Seventy people who presented the card failed to turn up at the ministry's office, and those cards were retrieved out of the system.

Mrs Sullivan: But you don't need a photo for that.

Mr Berwick: You don't need a photo for that and didn't need one then, but however, there was no mechanism to say what was wrong with the card. There may have been an opportunity to collect information at that point. One person, upon seeing the card swipe used, actually ran out of the building. So there is a deterrent effect in being able to give providers the ability to use card swipe readers to access whether the card presented is in fact valid or not.

Mr Callahan: How many providers have swipe machinery?

Mr Berwick: We don't know.

Mr Callahan: We had a couple of them that were brought in here the other day. Interestingly, the only place they're made is in the United States, which is a side issue, I guess, but I think they were thousands of dollars, as I recall. That's my recollection.

I think you're quite right, Dr Dickson, and welcome to the committee. Dr Dickson is from the beautiful area of Brampton. It's probably the first time I've ever been on a legislative committee where we've been able to get something done.

The original application allowed you eight ways to list yourself for a card. I could be B. Callahan, R. Callahan, V. Callahan, and fortunately, in bringing that to the attention of the deputy minister that that was just an invitation for fraud, they decided to change it. I think you're quite right that if you can't identify the person in a specific way right at the time of application for the card, you have in fact given them eight ways to fleece the government.

My major concern is between now and the time this all takes place, and I said this the other day to the deputy, because there are a whole host of problems here. We had the Freedom of Information Commissioner this morning who was telling us that there might be problems in terms of how you go about doing this and perhaps they should be ironed out before we enter into this and spend megabucks to do it, so that's a problem.

The other thing is the August 1994 date. That's the first we've heard of that. You have information which we, as members, don't even have, and then I understand it will even be beyond that when we will finally get into the completion of all this.

I had suggested something as simple—after hearing it, you may think it's simple. In fact, you may think I am simple for suggesting it. But I go into my local trust company and I have a passbook that has my name signed on it. You can't see it unless you hold it under something as cheap and simple as an ultraviolet light.

I have suggested—and this may be just a temporary arrangement until we get this process in place, something more definitive in order to avoid the fraudulent aspect and perhaps even to avoid the necessity of a slash card reader for those doctors or providers who don't have them yet—to simply have the person coming for—first of all, you'd have the signature on the magnetic strip. You couldn't see it unless it was held under an ultraviolet light. You would have the person coming seeking the service signing his or her name. It would be as simple as that. That's all a nurse or whatever would have to have them do and then compare it with the signature on the stripe, and if they matched, even if it was a fraudulent arrangement, the doctor gets paid. He or she has done everything possible to ensure the integrity of the system.

I ask you to comment on that, recognizing that that's a very minuscule way of dealing with the particular problem we've got and recognizing, I think as Dr Dickson said and I think as we all recognize, that this card is better than American Express; don't leave home without it. In fact, it's turning into American Express.

I'd like you to comment on that as a temporary measure to allow us to cut this out now, to stop it now,

and to give us the opportunity to find a system that's going to be the best system and not rush into something. I think you're probably quite right, Dr Dickson, that this was a rush to get it done and it was not done with total forethought. As a result of it, we have the problems we have. What would be your comments on that?

Interjection.

Mr Callahan: Look, this is public accounts. We're prepared to be honest and straightforward. I would imagine the government would be too.

The Vice-Chair: Dr Dickson, would you like to respond?

Dr Dickson: Peter would like to respond.

Mr Berwick: I think it is one technology. It's one that would have to be introduced across the province to every provider's office and also facility and it would need, again, a measure of training. I think our preference would be to place whatever the available dollars were into something which has a little longer-term opportunity, and placing the dollars against a card swipe reader would provide access to a much greater range of information, to the point where it may be possible for the ministry to comment on the validity of a variety of pieces of information rather than simply validating a signature on its own.

Through card swipe technology, with access on a real-time basis to the ministry's database, the physician, the provider, could query the database and get a yes/no response as to which field was invalid. By doing that, without revealing the information directly, at least they're able to zero in on what the particular message might be and also be able to have the ministry give a message to the physician to say, "This card is invalid; please withdraw it from service," or, "Please have the patient contact the ministry office because"—for whatever reasons the ministry might have. In fact, I think it might be better to have physicians trained to use that kind of technology rather than something which would have a relatively short lifespan, in my estimation.

Mr Callahan: I can't go again because the time's up for me, but I'll try to get to that again in another round.

Mr Berwick: Okay.

The Vice-Chair: We'll go on to the Conservative caucus and begin the questioning with Mr Wilson.

Mr Jim Wilson: Welcome, Dr Dickson and Mr Berwick. We certainly appreciate your taking the time to bring some of your expertise to the committee.

I have a number of questions, the first of which is that I too am worried that perhaps with the government's intention to introduce a photo on the health card, it really is a stopgap measure. Mr Decter, when he was here before the committee last week, indicated, I think very honestly, that he's really stuck between the pressure that the public and politicians are putting on him to do something immediately to try and get the fraud as close to zero as possible and the fact that he probably, if he had his druthers, would like to look at all the available technology and take a long-term decision on this.

We'll be meeting on Friday with Quebec officials. I've had preliminary discussions with them. There are a lot of problems with respect to the photo ID, and they are, to a great extent, now downplaying their selling job with respect to how far it will go to eliminating fraud because, as you know, they have some exemptions. For example, disabled people are exempted from getting their photo taken, children are exempted from getting their photo taken, and some other groups in society are exempted. I don't know whether they'll admit to us on Friday whether they feel it's a stopgap measure, but certainly, with the discussions we've been having to date, it seems to be.

Do you have any comments on that? You've obviously said you're supportive of it, but my worry is we're going to spend 50 million more dollars and five years from now we'll be all back at this committee, God willing, and discussing the same issue all over again.

1450

Dr Dickson: I think, to be fair, we're not suggesting that the photo ID card is the solution. There is not one single solution. As I mentioned earlier, we believe that is part of a strategy that basically has four legs. Probably the other major part is the registration process: give the card to the right people in the first place.

There's no reason why you can't incorporate some electronic confirmation process into a photo ID card, but we don't see another method of preventing people from lending their cards unless there's some way of ascertaining whether in fact the person standing in front of you is the one who legitimately holds the proper card. You can validate a card and prove that the card is valid, but if there's no way of proving that the card holder is the valid card holder, that's what happens now. People present with a card, the card is perfectly valid, I get paid for providing the service, but the person may be from overseas, and I have no way of determining that. Unless you combine the photo ID card or some kind of proof of identity with it and some electronic verification, I don't think you're going to capture everybody.

Mr Jim Wilson: Along that line, you talk about the four legs. I'm wondering if you're also considering having patients sign for their bills, or sign the bills they receive that are submitted. That has been very much part of our thrust. When we initially thought maybe photo IDs weren't such a bad idea, we had a number of things. One is for patients to sign the bills the physicians submit to OHIP.

Dr Dickson: I think we'd all like to think that would have an influence on everybody in the system, both provider and consumer. Having worked in a system many years ago that was not dissimilar to that when

patients really did know what the value of the services was when they went out of the office, it does have an effect on everybody.

The difficulty is that to have the patient sign the bill requires that the physician in fact is going to have to create that bill before they walk out of the office, and the way offices are currently constructed, that's not necessarily easy to do. After surgery, for instance, that would be very difficult to do. You're hardly going to present the bill in the post-op recovery room. It would not be appropriate.

The other thing is that my understanding is that in Alberta they have tried a pilot study of people signing the bills or sending annual statements. My belief is, and Peter might want to correct me, that it did not have that substantive an influence on anybody in the system, either the provider or the consumer.

Mr Jim Wilson: With respect to the photo ID, it is news to me today that the government has indicated to the OMA the speed with which it plans on bringing in the new system. I think you've been misled. Mr Decter was here last week saying that the likelihood is 5 to 10 years, more than 10 years. One of his best-case scenarios was that he can't replace cards out there much better than the rate of about a million a year. You've got 10.2 million citizens. That's at least 10 years. He still didn't answer the question, for example, if I never access the health care system in the next 10 years, how in the world—

Mr O'Connor: He said going through the present system.

Mr Jim Wilson: No, the decision that cabinet will take is on what speed.

How in the world will they ever renew my health card to get a photo on it unless they do a recall? Have you asked the government to do a recall of the health cards that are out there now?

Dr Dickson: I think there's always been an understanding that there has to be a cycle time on even the cards that are out there now. The current red-and-white cards seem to have a pretty short lifespan. They're very brittle and they're being replaced significantly. I think any card, no matter what you put out there, probably has to have a three- to five-year cycle time on it and have it replaced. I'd be very disappointed if in fact there weren't some kind of faster—

Mr Jim Wilson: A major push put on.

Dr Dickson: Waiting 10 years, I think we'd be very disappointed. Three years is what we've been promised, and we hear rumours of five.

Mr Jim Wilson: I just wonder, because in repeated questioning, Mr Decter last week would not give us a three-year time frame. In fact he said he didn't want to pre-empt what cabinet might decide. It's interesting to know that you guys know what cabinet has decided. I guess he won't tell a legislative committee.

He's also indicated one thing he's not made very public, but Quebec of course charges $10 for the new photo card. To me, that's a user fee directly on access to our health care system. Mr Decter has said that yes, in all likelihood there will be a fee attached to the new card. Given that there's a lot of mythology about user fees—I contend, and I believe I'm correct in saying there are hundreds of millions of dollars in user fees currently in our health care system; we just can't get politicians to admit it—this would be another user fee. Does that bother the OMA? Would it not be a direct impediment to access to the health care system, given that you will need your photo ID card more than ever to access the system?

Dr Dickson: We don't really have a view on whether the card should generate a charge for replacement or original granting of it. That's a government decision. It's a policy decision they'll have to struggle with. I don't know that I personally would equate it with a user fee. A user fee I think is a fee that's charged directly in conjunction with the delivery of an individual service. I think it raises some concerns, but I think that's the concern of politicians. I'll leave that one to you. I'll duck.

Mr Jim Wilson: I appreciate it. Thank you.

The Chair: Mr Tilson?

Mr Tilson: How much time do we have?

The Vice-Chair: You have about six minutes.

Mr Tilson: Thank you. Mr Decter did explain to us, as I'm sure you are aware, that the process to reach the photo card, although he was very vague on specifics as to what the photo card was going to look like—presumably they're still working on it or need cabinet approval or whatever his rationale is. But there's no question that there's going to be some period of time. We know there's going to be an interim card. He indicated that there would be an interim card. He showed a sketch of what that would look like. You have indicated that, notwithstanding an interim card or the preparation of a photo card, there are replacement cards going on.

All the public knows and all we know is there is fraud going on. It's debatable whether it's $20 million or $1 billion. There's figures all over the map as to what they are, and I don't want to debate that.

My question to you is as to what your thoughts are, from your association's thoughts or in your discussions with the ministry. The public realizes that its health system is really going down the tubes because of the unbelievable cost. Fraud is only one element of that, but they simply will not stand for the continuation of fraud. There doesn't seem to me to be an immediate plan to stop the fraud, even an answer to a simple question which you have raised yourself, a second piece of

identification. I'm talking about the red-and-white card, which is going to continue for some period of time, at least the next few weeks and presumably a period of time. But there doesn't to be an immediate plan to stop fraud. Have you any thoughts on that?

Dr Dickson: The agreement with the government does contemplate some measures being brought into place where physicians, if they doubted the validity of the card or the identification of the cardholder, could in fact ask for another piece of identification, but that has not proceeded as yet. We do contemplate some verification process at the point of delivery.

Mr Tilson: Do I sense some resistance from your association to getting involved in the policing of this?

Dr Dickson: I don't think there's much doubt that most physicians will find anything that generates a confrontation, or at least a potential confrontation, with a patient very uncomfortable. That's not what we're trained to do.

Mr Tilson: The difficulty is that we're part of a system, a state-run system, whether we like it or not. However, it's a state-run system. It's a system that's paid for by the state and the medical profession is part of that. Isn't there an onus on them, notwithstanding what their training is, to assist in dealing with that? I would hope that the association would be very active in assisting the government, and hence the public and hence their patients, in doing whatever they can do to reduce fraud.

Dr Dickson: Absolutely. But what we need is some help. We don't want to try and do it on our own or to be left out in a situation where we don't have the information needed to make the decisions. We need government's help.

Mr Tilson: Mr Cooke, in his press conferences as the interim Health minister, made a suggestion that the providers of health services could be prosecuted as well for their involvement. That's what he said at the press conference, that we're dealing with fraud.

Dr Dickson: Okay.

Mr Tilson: I raised my eyebrows too. I don't know what that meant. In fact, I asked Mr Decter for specifics and I really didn't get any specifics. In your discussions with the minister or the ministry officials, was that topic raised or dealt with?

Dr Dickson: That's not a new topic. In fact, I think we all understand that in a system as large as 120 million services provided per year by physicians, at some point in time someone is going to bill inappropriately. There always has been a process in place where OHIP will examine billing patterns and records. They do verification and mailouts for services and whether they've been provided and physicians do in fact find their billing patterns being checked up on by the medical review committee under the College of Physicians and Surgeons. That's not our mandate, that's the college's mandate. And in fact some physicians are found guilty of inappropriate billing and funds are recovered. That's not a new thing; that's always—

1500

Mr Tilson: I'm aware of that, and of course the public has questioned that, quite frankly: whether the process is strict enough to detect that and whether the process is strict enough in dealing with doctors who have overbilled. In your discussions with the minister or any of the Health officials, did you pursue that?

Dr Dickson: Only to the extent that it's my understanding that they are going to be devoting more funding to the services that support the medical review committee so they can investigate more cases, because there is somewhat of a backlog.

Mr Tilson: We spent a lot of time this morning with the privacy commissioner and the subject of confidentiality. You haven't spent much time on that. Have you got any thoughts that might assist us?

Dr Dickson: I think we all understand, and you probably better than I, having heard him speak, but we're all aware of the fact that physicians at this point in time cannot divulge information on patient contacts to a third party without the patient's agreement. Clearly, any system that requires physicians to report must have some kind of statutory change that in fact protects physicians from liability. Otherwise, you can't expect them to be involved in any kind of enthusiastic fashion.

Mr Tilson: So physicians—

The Vice-Chair: Sorry, Mr Tilson. The Conservative time has expired. We go to the government caucus. You have five members who have indicated they'd like to ask a question: Dr Frankford, Mr O'Connor, Mr White, Mr Sutherland and Mr Martin. You have 15 minutes. Go.

Mr Frankford: Can I ask for some thoughts and experience around something that has not been mentioned, which is the question of unregistered legitimate people? This would include, as big groups, street people and natives. It seems to me there are real ethical clinical dilemmas and questions about remuneration when people in those groups turn up, possibly quite sick. Should there be some way of instant good-faith billing? Would that undermine the whole system? But is there perhaps some ethical obligation to have something like that?

Dr Dickson: I think all of us understand clearly there are groups who, no matter what system you put in place, aren't going to register and be participants in the system, for lots of reasons we all understand. A good-faith policy for emergency care in hospitals would be a good start, and I think the government had indicated some thoughts towards that. I think that's currently the situation in Quebec. That would be a good start.

Clearly, it would be against the ethics of the Canadian Medical Association to deny emergency care to any individual because of some proof of payment or anything like that. That just simply is not proper conduct, and I think my colleagues would agree with that.

But I think maybe we have to look at a better way of targeting the people who are disadvantaged and community clinics in downtown areas and that kind of thing where in fact some sort of identification isn't necessarily required. I think it's probably the only way you're going to really target those people. You may need a special strategy to target those people.

Mr O'Connor: I guess to start off with, to give you some comfort, I know you've gone through a process this summer of negotiations and have identified your preference for a photo ID. My colleague across the committee room has suggested that's going to take 10 years. In fact what Mr Decter said to the committee earlier on in this hearing process was the fact that in the present system, in going through changes, like through the version codes and people aging and births coming in, it would take approximately 10 years to go through a revision process just the way it is now. There was no suggestion that we're going to wait for 10 years before we do anything or that the process itself could last 10 years. The cabinet of course will have to decide on how this will be paid for, and of course that's cabinet's job to do. The government itself will not support user fees and look at this, I'm sure, as a user fee if there's a cost established to that.

You've raised a number of issues. Your request for regulatory protection in going through trying to help involve the doctors in this challenge is a very reasonable one, and I'm sure you'll work with us in trying to make sure that is possible.

One thing that hasn't been decided upon, though, is the renewal, the length of time, the expiry dates. I note by looking at information that was provided to us that Quebec, for example, which does have photo ID, has a four-year renewal process. Alberta is two years, Saskatchewan is two years and New Brunswick is three years. The other provinces don't have a renewal cycle.

I guess maybe I could ask you for some help on what you think might be a good use. I think likely in the Quebec model they looked at the four years because of the cost. It would allow the costs of renewal—it will be expensive, so to take a period over a longer period of time.

How would the photo ID—digitized, whatever that element be—improve the unique identifier element, which of course is what we want to look at? It's where we as health care providers can look towards long-term planning in health. How does the photo ID then improve that unique identifier, or is it just an element that's going to help us with the fraud part? And your thoughts on long-term care facilities and the seniors in there: What do we do in those places? How do we identify them? Should there be exceptions or whatever? If there are exceptions, then of course that sends flags up that we have exceptions that we're going to hear about. Perhaps you can address that in the period of time that we do have.

Mrs Sullivan: In 30 seconds.

Mr O'Connor: Thank you for your patience. I'm trying to kind of spread it out in what limited time we do have.

Mr Berwick: The renewal cycle that we requested during our discussions with government centred on, first of all, a cabinet submission being made, which is under way. I don't have any further details about the cabinet submission than any of the rest of you do; neither do I have any understanding of what the details might be. However, it is our understanding through our discussions that there could be introduction of a photo ID by August or September of next year, and that within 36 months following that there could be a photo ID rolled out to everybody in the province.

The renewal cycle that Michael Decter talked about last week was a million cards renewed on an annual basis, with registration for between two and three million depending on whether you talked about a three-year or a five-year cycle. I think our preference is for a shorter term because it does certainly help physicians who are not automated in identifying individuals as they present at the office. So by producing the card, you can see whether the person is in fact the right person. That is something that can be done and start to take effect as of the introduction of the first card.

Mr O'Connor: Renewal cycle: Any suggestions on length of time in long-term care facilities, as an example of—that's a problem.

Dr Dickson: I think 36 months, you were suggesting.

Mr Berwick: Yes, 36 months was something that we came to an informal agreement on within the contract, as I recall, but that was the target that we agreed to.

Mr O'Connor: I appreciate that.

Dr Dickson: Just a comment on the photo: Is there any other use to it other than fraud? I think I alluded originally to the database. I think you were talking about planning and health care planning. I guess the comment I would make is that when we're looking at health care planning and trying to do some data—and David Naylor at ICES is going to produce a document later this year. When we're looking at who uses the system, how, and what the differences are around the province, we have to look at geographical data by county and possibly by municipality.

If the person using the card is not the legitimate

cardholder and in fact is someone else and is receiving care, and if in fact 26% of the addresses are out of whack, as I understand they are right now, then clearly the database is corrupted, and with any kind of comparative data you'll be working on very shaky assumptions in making health care planning decisions. So it has to be cleaned up now, because the longer it goes, it just gets worse and worse.

1510

Mr O'Connor: But photo ID, then—I used the example of long-term care facilities. These people aren't moving about too much and we're not going to see them having a lot of wrong addresses.

Dr Dickson: What you could do in a long-term care facility is that you could grant an exemption by notarized letter from the physician or somebody, whoever is in charge of the facility, and they would be exempted from the use of a card, because that's where their care is going to be delivered anyway. They're not exactly going to be out around the community that much.

Mr White: I was very impressed with your presentation, Dr Dickson and Mr Berwick. You went through and we heard testimony this morning in regard to smart cards and photo ID and other tools.

There was an analogy you brought up earlier on, and that was the issue about gun control. I think it's not an entirely inappropriate analogy. In terms of gun control, certainly gun control reduces the incidence of murder and violent crime. It doesn't eliminate it but it certainly reduces it, and this, I think, is the intent here. You're always going to have someone who somehow is going to obtain a card fraudulently or obtain access to the health system fraudulently, but what you want to do is to reduce that very, very significantly.

We don't know what the actual costs are at the moment, but we want to determine a technology which will hopefully reduce that to an absolutely minimum. I'm very impressed with the number of physicians whom I've spoken to who have the same concerns that you have and have expressed them very eloquently to me, and with the good research you've done. All those points that you brought up and that are very, very well researched obviously show a commitment on the part of your profession to the use of the card, to a clearing up of eligibility.

I want also, though, to ask about a very simple thing. As I was thinking about health care fraud or card fraud—I'm thinking as a health care professional myself, as my colleague here is as well—they are personal services. Most physicians know who their clients, their patients, are. As the gatekeepers, most often those physicians know where their patients live, and there will be some exceptions and some emergency situations or whatever, but this emphasis on eligibility does put physicians in a very different position than they've been used to.

Many of the physicians whom I've spoken to spoke about all of these anecdotes about fraudulent use, but they were situations that they were aware of. They knew that this patient of theirs was not a resident of Ontario. So I guess what I'm saying is, this is a tremendous change and, as the gatekeepers, it puts your profession under a real onus and a real difficulty in ensuring that those cards are valid, and essentially in acting like an enforcer. I'm wondering if you could comment on that.

Dr Dickson: Just a comment that you're right, that most primary care physicians do have a pretty stable population and do know their patients. As a consultant, I only see people on referral, so probably half to two thirds of the people I see on a daily basis, I'll see once and never again, so it's a one-time encounter. So there are people like myself, and probably a third of the profession at least is in that situation.

You're right, and I can't agree with you more that the idea of getting involved in policing, no matter how gently you describe it and what words you use around it, is awkward. It makes physicians feel very awkward because it does introduce a certain kind of element of confrontation into the patient-physician relationship which none of us feel really very good about. None the less, we're prepared to do our bit, but I just appeal to all of you that we need government's help in giving us the information to make our decision easier and that we need some backing.

It's a societal agreement, and you're the representatives of society. As long as we all agree this is how it's going to be, then fine, we can live with that. But don't ask us to make ad hoc decisions based on poor information and then accept the consequences. I think that would be unfair, and I don't think physicians will do it.

Mr White: Even though in your situation, Doctor, you were saying that as a consultant you only see people on referral, those people would be on referral from a general practitioner, who again would be working on their stable client base, so there would be still a gatekeeper physician.

Dr Dickson: Yes, that's a good way of getting information when I run into problems, but a lot of referrals come from walk-in clinics or from emergencies. I'm on call one night in four, so a lot of my patients are seen in an emergency department, and that's where the big problems arise.

The Vice-Chair: There are only about two minutes left and we have Mr Sutherland and Mr Martin. I was going to go to about a four-minute rotation afterwards to take us to the end of the witnesses' time. If you like, I can add that on so you can both ask your questions now.

Mr Kimble Sutherland (Oxford): Sure, we can do that now.

The Vice-Chair: Okay, Mr Sutherland.

Mr Sutherland: I want to come back to Mr Wilson's question about having the patients sign for the services they receive. You mentioned in your presentation about accountability for use of the cards. In response to Mr Wilson, you talked about—well, obviously in a surgery-type situation, you wouldn't want to have them sign right there, but if we're talking in a general family practice at the office, why would that be such a difficulty? If I go to the dentist, the dentist is able to produce a bill right then and there. Don't you think it would create a greater degree of accountability in terms of the patient understanding what services you provide?

For example, I get many people calling me regarding pharmacists' dispensing fees. They want to know what the fee is for. I've had pharmacists explain to me what the fee is, and I encourage constituents who call me to ask their pharmacists in terms of what types of services they're being provided for the fee that they are charging.

You talked earlier about education about the system. You were specifically referring to health cards and the use of them. We've heard the term "passport." We've heard references to credit cards, and with normal credit cards you have to sign and you see exactly what the services are and how much those services cost. Wouldn't it seem to make sense as a good initiative for educating the public about the costs of the services they receive, making them aware as a very good public education process?

Dr Dickson: Not to be facetious, but we have tried. The ministry in fact has mandated that it wants to move towards electronic input for billing. In fact, they mandated the electronic submission of billings a few years ago. We were submitting about 60% of claims electronically; we're now up to 95%, so in fact we're into a situation where it's a paperless transaction. There is no bill created in most physicians' offices. So to go to that kind of format would in fact create a duplicate paper system, and I thought we were all trying to get away from that.

I understand what you're after and I think maybe public education can be approached before they even get to the physician's office. Government has indicated its willingness to go into a public education campaign that health care is not free, that it's very expensive and we should use it wisely. Patients are the ones who initiate the process, and I think government should really let the public be aware that this is not a free service, that it is a very expensive service.

Mr Sutherland: Just one quick question. Would having the fee schedule posted in doctors' offices help?

Dr Dickson: I keep one, actually, in my office and patients frequently like to look at it. It's often not that instructive because it's a huge document and very complicated.

The Vice-Chair: Thank you, Dr Dickson. Mr Martin has asked that we just revert to normal rotation, so we'll go to the Liberal caucus with four minutes.

Mrs Sullivan: I wanted to clarify what the position of the OMA is now with respect to the contract which was signed in August. As I hear your testimony today, while the schedule 2 to the agreement indicates that interactive voice response technology should be made available to all physicians, and that was part of the agreement, part of the contract, in fact what you're saying is that you don't want it, it doesn't work, it's complicated and slow, as was demonstrated before the committee the other day, and in fact your preference is for swipe technology that would be introduced into physicians' offices, which your agreement calls for in 50 hospitals at the beginning, but the introduction of that technology would be at the hospital level.

1520

That brings me again to the photo card. If between now and the time the deputy goes to cabinet, or when cabinet decides to make a decision with respect to a technology to assist with the identification, a different and perhaps superior technology was recommended to assist with the identification and tracking of eligibility, how married are you to the contract which you signed?

Dr Dickson: I guess the first simple answer is that we didn't get everything we wanted.

Mrs Sullivan: Come on; we know that.

Dr Dickson: To go on from that, we're looking for solutions. If in fact somebody comes up with a better mousetrap, some other way of detecting fraud that will identify patients who really should hold a card and is easier to work than a photo ID card, we're quite willing to look at it. There have to be people out there with lots of good solutions. We're not wedded to one absolute, final answer. This is what we came up with in August under some unusual circumstances. If somebody can come up with a better idea, then that's fine. For now, until we see the better idea, we'll stick with this.

Mrs Sullivan: But am I correct that Dr Berwick has indicated to us that the paragraph on the IVR is not now the OMA's preference for physician office use?

Mr Berwick: By the way, I'm not a physician or a doctor.

Mrs Sullivan: Sorry.

Mr Berwick: That's all right. The IVR system is a solution for physicians who are not automated and, in the absence of an installation of a point-of-service card swipe reader, the IVR serves a purpose. We would hope that the IVR system could be expanded to yield more information, but in the absence of that, it still does serve a purpose for physicians who remain unautomated.

Mrs Sullivan: So the 5%.

The Vice-Chair: You've got about 30 seconds, Mrs Sullivan.

Mrs Sullivan: Okay. We don't have much time, but my understanding is that now physicians are being advised not to report suspected fraud or fraud which they have detected. You have indicated that you are looking forward to legislative or regulatory change. Where do you see that coming, in RHPA or in special legislation?

Dr Dickson: In the Health Insurance Act.

Mrs Sullivan: Okay, as a regulation. Thank you.

Mr Jim Wilson: In the interest of not repeating mistakes of the past, I'm quite curious—and it's something we haven't really examined in depth in this committee—how we got into this mess in the first place.

Mr Callahan: You had 25 million names in here.

Mrs Sullivan: I tell you I wouldn't push this button if I were you.

Mr Callahan: You provided us with—

Mr Jim Wilson: No, I have no problem pursuing this. I want to know, while I have the opportunity and the OMA is before the committee, what flags the OMA was raising back in 1989-90, when the government decided to push through this rather hurried and ill-thought-out health card scheme. Surely you were raising these flags at that time.

Dr Dickson: Yes, we were. There was a lot of debate at that time about how easy it was to get the health card. In fact, the transition period had to be extended because the cards couldn't be rolled out quickly enough, and I think there was a tremendous push. Because of deadlines, they were rolled out very quickly, because we didn't want people dropping out of the system. In the transition period between the OHIP number and the health number, there were some real problems with payments for physicians. We had a terrible time with delay in payment to some of our doctors. It was a real problem. We've overcome it, but yes, we raised the same concerns at that time.

Mr Berwick: If I can comment on that, the OMA did participate on a regular basis with the ministry at several levels, as the information technology strategic plan as it existed under Dr David McNaughton's tenure was something that we followed. We participated in the steering committee and the working committees of both the smart card pilot project and of the data standards project, and we continue to work with the ministry using some of the guidelines that still devolve out of that IT plan.

Mr Jim Wilson: Then why is it apparently quite a shock to some of your members, physicians in the province, that they're now being asked to police the system? Again, you must have seen back in 1989-90 that this was exactly where the government was heading. If there's no upfront verification on behalf of the system that's been put in place—the government had no intention, I guess, of doing it at the time—that eventually if there was fraud in the system, physicians would be asked to police the system.

I want to say for the record that I have tremendous sympathy for physicians now who have to police the system when they didn't ask for such a fouled-up system to be introduced in the first place. I want your comments on that.

Dr Dickson: We did have a similar situation prior to the introduction of the health number, when there were all the OHIP numbers extant. What we in fact did at that point was that there was a policy that the government adhered to called the J8 policy. The J8 is simply a good-faith policy so that when a claim was submitted for an individual encounter with a patient and the number was invalid, the government paid the first claim on good faith.

Mr Jim Wilson: What do they do now?

Dr Dickson: Well, just a moment, they paid the claim in good faith and then sent a notice to the physician with a J8 code, which means that the next time that patient comes and sees you, you will not be paid. The routine practice was that the physician would then track down the patients—or this is what my secretary did—and let them know, "You've got a problem with your card and you better fix it because the next time you're going to run into some problems."

What happened was that the government dropped the J8 when they enforced the version code back in February, so even though you saw the patient in good faith who you thought had a valid card, the government in fact withdrew payment and left the policing to occur after the fact. It just created problems; there's not much doubt about that.

Mr Tony Martin (Sault Ste Marie): Yes. I find all this very intriguing and interesting. This is my first day on the committee, but I've certainly been aware of the issue out there in my constituency. It was suggested a while back that perhaps the government isn't doing anything in front of the question, the issue or the reality that there is fraud in the system.

I sat last week with a couple of constituents who are in fact in the process of having to provide further documentation to the ministry because the ministry is out there trying to verify the legitimacy of various cards etc. The ministry is working very hard to try and make sure in the interim, until we change the system, that we are catching as many as we can who might be defrauding the system.

I find it somewhat unfortunate that at a time when we're changing the system and trying to make it better, moving the emphasis around long-term care, health promotion and prevention and those kinds of things, we would be putting so much emphasis on this question of fraud, and perhaps because of that, in my mind, being

pushed into doing some things that maybe aren't in the long-term interests of the health care system.

My colleague Dr Frankford has been raising the idea, I believe, of maybe another system of making sure that the health care system in Canada, in Ontario, is in fact universally accessible that doesn't have anything to do with cards but has a lot to do with the way we bring those who deliver the system into another way of perhaps remuneration.

In Sault Ste Marie, and he's referenced it often, we have the Group Health Centre where it's not a fee-for-service but another arrangement that is made with the academy. I had an occasion to speak with a doctor there recently when I brought my son in. The comment he made to me which really felt good was that as a member of the Group Health Centre, he doesn't have to worry about all the administration and billing and those kinds of things. He comes in in the morning and he's thinking about his patients; when he leaves at night he's thinking about his patients. When he goes away on vacation, somebody else picks up the load and he comes back, he's refreshed and gets back into the business again.

Was there at any time in this whole process, and perhaps before or at other moments around other tables, any thought given to other systems that might work better than now setting up another bureaucracy to police a system that's already costing so much to deliver?

Dr Dickson: The OMA has a long-standing policy that we support the development of alternative payment systems other than fee-for-service as long as they're scientifically evaluated and there's a freedom of movement of both patient and provider from one to the other.

1530

I think to assume that an alternative payment system such as the Sault clinic solves its problems of potential fraud, because of the payment method, I think is an oversimplification. I believe that they don't have a problem or should not have a problem with fraud because of identification. They've got everybody in their database. The same applies, no matter what your method of payment, to a large family practice with a roster of patients in any case. The same problems occur with identification when those people go elsewhere, to another county, to another city or to another country. So the same problems occur. I don't think the payment mode is the solution; it's the identification system. You could have a good identification system under fee-for-service or under an alternative payment system.

We currently have, I understand, about 150 alternative payment situations around the province. In fact we set up, with our agreement, a task group that's to look at exactly that very thing, different ways of delivering care, because quite frankly in a lot of situations fee-for-services doesn't make sense; in a lot of other situations it's by far the best method of payment. We shouldn't be wedded one way or another to either system as long as there's a free and open exchange and we don't have an ideologic basis for determining one way or the other, to look at it and examine the data scientifically and go in the direction the data indicates.

The Vice-Chair: Dr Dickson and Mr Berwick, I'd like to thank you very much for appearing before our committee today. We found your testimony to be very valuable, and quite frankly, if time had permitted, I think we could have used another hour or two with you. So thank you very much.

Dr Dickson: Thank you very much. I enjoyed this.

COLLEGE OF PHYSICIANS AND SURGEONS OF ONTARIO

The Vice-Chair: Our next witness will be from the College of Physicians and Surgeons, Dr John Carlisle, the deputy registrar.

There is a written presentation that has been submitted by Dr Carlisle that the clerk is distributing right now, as Dr Carlisle gets seated. We'd like to welcome you to the committee. If you would first of all like to go through your presentation. Of course, we would welcome time for questions and hopefully answers at the end of your presentation.

Dr John Carlisle: On behalf of the College of Physicians and Surgeons of Ontario, I want to thank you for the invitation to discuss with you questions surrounding the suppression of fraudulent use of the Ontario health system, and in particular fraudulent use of health cards.

There can't be any doubt that all the citizens of the province support the Ontario health insurance plan and the government in its efforts to reduce the depletion of our scarce health care resources, which occurs when these resources are fraudulently obtained by persons who are not entitled to them. The college is ready to do anything it reasonably can to assist you in your efforts to reduce the losses incurred by our system due to such dishonest activity.

My purpose here today is to discuss a couple of issues relevant to health care fraud and the reporting of that fraud by physicians which, in the view of the college, should be carefully considered before any regulatory or statutory measures are undertaken in this area. They are matters which arise directly from the college's concern with its primary mandate, which is to protect the public interest in relation to the rendering of medical services. The Ontario Medical Association very ably represents the interests of physicians in this and all other matters, and it's not our intention to intrude upon this role of the association. Our duty is to the public interest, and it's in that context that I want to raise these issues.

The confidential nature of the relationship between the doctor and his or her patient is and always has been

one of the central core values of medicine. The College of Physicians and Surgeons feels very strongly that the relationship of trust and confidence that doctors enjoy with their patients is central to the benefit that medicine is able to provide to those patients. If the patients do not go to the doctor when they feel the need of medical care or do not feel free to tell the doctor with the utmost candidness everything about the problem, even though it may be very private or embarrassing, the effectiveness of the treatment is limited and the effectiveness overall of the health care system will be limited.

Having regard to that fact, it is therefore very important that while we pursue highly legitimate goals in the administration of the health care system, we do so with some sensitivity to the importance of confidentiality and the utmost trust in the relationship between the doctor and patient.

The college is concerned that any program which puts the primary responsibility for policing the OHIP system in the hands of the physician, which incorporates or is perceived to incorporate significant breaches of physician/patient confidentiality may, unless carefully planned, have a very damaging effect on the health care system and in particular on the delivery of health care to those vulnerable individuals that most need protection.

I'll give you an example of what I mean. Many patients come from groups which may have been unfairly marginalized in society, either ours or another. Some may have only recently become Canadians, having come from countries where totalitarian regimes rely on reporting of citizens by professionals and others to secret police organizations. Even a very well-thought-out and socially appropriate scheme to control abuse of the health care system may be misperceived by some of these individuals, and fear and misunderstanding may lead those persons to avoid seeking health care to which they are clearly entitled and which they may badly need.

There is a further possible complication in developing a system to stem abuses of the health care system: Both patients and physicians do not understand the specific legal meaning of words like "fraud" or "abuse." These words are used and misused in everyday speech, and in law they can have very specific meanings. Without a very careful publicity and educational campaign about the program to be introduced, patients may misunderstand and may fear to seek care.

Our experience with other mandatory reporting schemes in medicine, such as those required by the Child and Family Services Act in relation to child abuse and by the Highway Traffic Act in respect of persons unfit to drive, is that physicians will be very fearful of failing to report in the required manner and will be very compulsive about reporting. Unless very clear language is used and very clear circumstances are described in which the report must be submitted, physicians will also be fearful of the system, unclear as to when to report and likely to overreport in circumstances where it is not reasonable or appropriate to do so.

Very few non-lawyers, including physicians, understand the technical meaning of the word "fraud." We regularly receive telephone calls from physicians who believe that fraud has been committed because the patient has visited more often than the physician thinks is necessary, even though the visits may have been entirely appropriate from the patient's perspective. We receive telephone calls from physicians who believe that patients who came to the emergency department when their family physician was unavailable had committed fraud. It is evident to us from our experience that words like "abuse" and "fraud" have to be very carefully defined in the mind of both the physician and the patient if a mandatory reporting system is not to produce more harm than it does good.

An emergency physician, one who's had considerable involvement with government over the years, called me just last week to tell me that several elderly patients had been very reluctant to see their family doctors in follow-up after his treatment in emergency, despite his emphasis on the importance of the visit medically, because they didn't want the government to think that they were abusing the system.

Naturally, any patient who is reported by a physician as having been guilty of some wrongdoing and who is subsequently exonerated will be very angry and will want to file complaints about the physician or even launch civil lawsuits alleging defamation of character and breach of confidence. We can foresee circumstances, in the absence of a very careful drafting of whatever provision you decide upon, wherein the system of reporting by physicians will produce a large number of complaints and even a certain number of civil lawsuits such that physicians may be significantly deterred from reporting.

If a report is required and a physician fails to report, then there will also arise the difficult question of whether the physician, in those circumstances, is liable to professional or other charges.

In order to deal with the foregoing concerns, the college proposes that if there is to be physician reporting the system providing for it should have certain features.

First, we would suggest that the requirement to report should be triggered by a very specific, easily identifiable circumstance which is not defined by loaded legal words which may not be understood by the parties to process. For example, we would not recommend that the requirement be for physicians to report patients they suspect have committed fraud. The words "suspect" and "fraud" will, in our experience, cause significant difficulties.

We would suggest, in the alternative, that something like a requirement that the physician report when "he or she has reasonable and probable grounds to believe that the patient has submitted an OHIP card not issued for the patient." This is an understandable principle which, with enhanced ID cards, will be something easy to identify and can be easily understood by patients. If you present somebody else's card to the doctor or hospital, you will be reported.

In addition, a requirement could be to report where the physician has reasonable grounds to believe that the patient is not eligible for coverage. This is a little less definite, and if one looks at the printed version of what the eligibility rules for coverage, it might be awfully difficult for some people to understand, but it's at least adequately understandable, probably, by most parties. Both examples would avoid the use of loaded legal words.

1540

Because of our concern, previously stated, that confidentiality is so central to the nature of the doctor-patient relationship, we are concerned that the obligation to report not be placed as an exception to the core value of the profession which will be set out in the regulations under RHPA.

You may observe that in all other mandatory reporting schemes currently in force the provision is contained in the statute governing the subject matter to which the mandatory report is related. Thus the requirement to report unfit drivers is found in the Highway Traffic Act, the requirement to report child abuse is found in the Child and Family Services Act, the requirement to report unfit pilots is found in the federal Aeronautics Act.

For this reason, it seems both logical and desirable to us that the requirement to report, if there is to be one, be contained in the Health Insurance Act. Since there are proposals to amend the Health Insurance Act currently before the Legislature in Bill 50, this should present no procedural difficulties.

We would ask you most earnestly not to incorporate this requirement as a general exception to the confidentiality provisions in RHPA, because of the deleterious effect this will have on the statement of core values so important to our profession and so central to the appropriate relationship between the doctor and the patient.

In a similar vein, we point out that the regulations under the current Health Disciplines Act and the proposed regulations under the Regulated Health Professions Act follow directly from the words of the Canadian Medical Association Code of Ethics. These regulations make it clear that the physician shall give no information concerning the condition of a patient or any services rendered for the patient to any person other than the patient without the consent of the patient unless the physician is required to do so by law.

Accordingly, to be consonant with that regulation, the requirement to report whatever indicia of health card fraud may be decided upon must be a requirement of law. The passage of a regulation or section of the Health Insurance Act giving merely the option to report will have the legal effect of making the report illegal.

In short, because of the provisions of the Health Disciplines Act and RHPA, in order to be allowed reporting must be required and not merely permitted.

In summary, the college supports you wholeheartedly in your efforts to suppress the fraudulent diversion of health care resources by fraud on the system. We ask you, if you decide to create a requirement for physicians to report fraudulent activities on the part of patients, to make that requirement in the Health Insurance Act, to make it as specific and clear as possible, so that both doctors and patients may understand it, and to very carefully consider the words used so as to promote that objective.

As much as we support you in your desire to suppress health care fraud, we ask you to carefully consider the effect your proposals may have on the relationship between doctor and patient and to consider the possible deleterious effect that the fears engendered by the proposed system in persons who are not sophisticated in legal terminology may have on the health care system.

To the extent that the college can helpfully participate in creating or reviewing those words, we'd be very happy to do so. To the extent that we can use our publications or our contact with our membership to spread the word and make the system you decide upon more effective within the profession, we'd be very happy to do that too, both on our own and in cooperation with the OMA.

I'd like to thank you for your attention to these couple of points.

The Vice-Chair: Thank you for your presentation, Dr Carlisle. We'll now go to questions by members and we'll start a rotation with the official opposition. I think we'll have 15-minute rotations and we'll start with Mrs Sullivan.

Mrs Sullivan: As you can see, we were proceeding immediately from the OMA right into these very questions that you've put on the table. I think they are important ones, and it was a nice way to move from one section to the other.

Your paper I think explains the rationale for using the Health Insurance Act better than any argument that we have seen in the past, and I think this will be useful. I hope that you will also impress upon the Ministry of Health people your request with respect to not only the simplicity but the specificity of the wording that would be useful for the profession.

Would you advise the committee what obligations

your college members are now required to honour with respect to the divulging of information, or exchange of information, with the Ministry of Health or other health care providers, and what protocols or guidelines are in place to assist with that exchange of information?

I think that as we're looking at a database that is effective from the point of view of the money that's spent to introduce it, we have to be certain that the database is usable by the points along the system where it's supposed to be used. I think that information would be helpful.

Dr Carlisle: First, thank you very much for your comments on our presentation. I'm glad that it has in some respect been helpful. In answer to your question about the current obligation of doctors in terms of the disclosure of information, it's contained in the regulations to the Health Disciplines Act. It's section 29(23) of the regulations. It tracks, almost word for word, the provisions of the CMA code of ethics, and I expect that way back in 1975 that's probably where it came from. It defines as "professional misconduct," and I'll read the words, "giving information concerning a patient's condition or any professional services performed for a patient to any person other than the patient without the consent of the patient unless required to do so by law."

That, as you think about it for a moment, contains a number of uncertainties. For example, what's the meaning of the words, "required by law"? You might think instantaneously that it means required by statute, and obviously there are some statutes that require the giving of that information. The Health Insurance Act requires that information required to process the claim for payment for the services be given, and the patient's consent is neither required nor routinely obtained. On the other hand, it is quite possible that it means required by law in a broader sense. For those who have had some thought about mental health law, you'll know that this is currently a very hot topic in mental health law as to whether it also means, as required by common law, that there may be a duty to warn.

In any event, in relation to this issue, what it means I think pretty clearly is that the member is not to give information, for example, about the services rendered to the patient or the condition of the patient without the patient's consent. If it were necessary to report that patient Mr Jones came to the emergency department and complained of thus and such condition and received thus and so a treatment and I suspect that was all fraudulent, that he wasn't Mr Jones and that's not what was wrong with him, you would very quickly become enmeshed in a problem of information being transmitted to the authorities which is not authorized or allowed to be revealed.

If we were to get into criminal prosecutions, we all know that the rules in criminal court are much nastier than they are in administrative tribunals, in terms of the requirement to prove. The police would have to have access to the diagnostic information and to the information about what services had been rendered. All of that would get, I think, very sticky.

The clear solution to the problem, as I said in the presentation, is that whatever information is deemed, as representatives of the OMA said, to be socially appropriate to be revealed for the purpose of suppressing fraudulent claims on the insurance plan, whatever that information is, I would urge you in considering that question to consider the issues that I raised in my presentation, but whatever you decide about that, there must be a requirement of law that this information be disclosed. There are several reasons why physicians, even if they looked at it from only their own very selfish perspective, would want that to be so.

I think if you introduced any element of discretion into that, you'd have a lot of concerns about the exercise of that discretion. We're going to report people we like and not people we don't like, people whose politics we agree with and not people whose politics we disagree with, and so forth and so on. At the end of the day, our experience with other reporting statutes, such as that relating to child abuse, that relating to driving, indicates that they work best when they're applied evenhandedly across the board to everybody with a requirement that this be done. Doctors feel a lot more comfortable generally with that approach so long as the requirement is clear and easily understandable.

Mrs Sullivan: Could I move to the health cards and numbers control legislation? As I read this legislation, a doctor may well be allowed under this law to report administrative issues, if they're defined that way—it depends on how they're defined, I suppose—such as changes of address on behalf of a patient, and other health professionals could provide such notification to the Ministry of Health. Is there any professional limitation on the provision of that kind of information, depending on how you interpret the word "administrative"?

Dr Carlisle: Depending on the interpretation, I should think not. It's still a requirement of the law.

Mrs Sullivan: So this provision would in fact now enable a physician to participate in the verification of eligibility or the upgrade of information on the register with respect to an individual?

1550

Dr Carlisle: I think so. It's so new that we haven't actually had an instance arise, so, as with everything legal, where it's not arisen before, one can't say with any certainty, but I should have thought so. Common sense would so dictate, I think, too.

Mrs Sullivan: What would the college's view be of a physician having direct input into the system, ie, being able to, on a two-way mechanism, say electronic mail

or something, change an address?

Dr Carlisle: In terms of updating the ministry's database? I guess it's largely an administrative matter. I don't think we'd have any view of it from a professional perspective. If it were a sensible thing to do and if it were generally understood by patients who went to doctors that that would be done, there's no professional reason that I can think of why anyone would take any objection to it.

Mrs Sullivan: I guess the question arises because the commissioner on information and privacy is naturally concerned about what will be included in the documentation etc and indicates that those records in fact belong to the patient or person about whom they've been collected.

Dr Carlisle: We'd agree.

Mrs Sullivan: There have been questions raised earlier with respect to the involvement of the practitioner or facility at the point of service in either being able to update their own material or to provide information so that Ministry of Health officials can update. I'm just wondering if the college has any reservations about physicians actually changing records when they in fact maintain records in other ways.

Dr Carlisle: I don't suppose we've thought about it very directly. I would certainly agree with the position if that's the position that was taken by the privacy commissioner. I think it's rapidly becoming the accepted proposition. Certainly, I think our council would probably accept the proposition that for almost all operating purposes, records of that kind—medical records of the patient—are, at least for a certain possessory interest, clearly the property of the person about whom they're made. So I think that that would be the sort of approach to it that would probably condition our view of that situation.

Mrs Sullivan: The last question is with respect to changes to ensure that the physician would not have liability and your suggestion that it be included under the Health Insurance Act. The OMA suggested that it should be done by regulation. Am I reading it correctly when I hear you speaking about legislative change and that you foresee Bill 50 as an appropriate place to include that kind of a change?

Dr Carlisle: Perhaps, though I wasn't referring to Bill 50 specifically with the idea that this is the proper subject of Bill 50. I haven't analysed that, and one would have to look in the Health Insurance Act to see whether there's an authorization to make such a regulation. If there is, you can do it by regulation; if there's not, clearly you can't. My only purpose was to indicate that we believe that the provision, if there is to be one, should be somewhere in the health insurance legislation as opposed to being in the statement of the core values of the profession.

The Vice-Chair: Mr Callahan. There are about five minutes left.

Mr Callahan: How much?

The Vice-Chair: Actually four.

Mr Callahan: I might have to babble, which is not unusual. Just something related to that. You talk about the confidentiality between patient and doctor. When a doctor refers a matter out to a lab that's not his lab and it does an analysis of certain types of bodily fluids, is that done on the implied consent of the patient?

Dr Carlisle: Yes.

Mr Callahan: So there's no breach of confidentiality there?

Dr Carlisle: We have always taken the position that persons directly involved in the health care of the patient which would reasonably be contemplated by a reasonable patient are within the implied consent of the patient for the release of information. So the patient goes to the doctor's office, is aware that the doctor has a nurse and that the nurse will possibly come into the room or will certainly have the opportunity to look at the file as she files it or as she makes out the referral slip to the physician or lab that the patient is being sent to. It's always been our view that it was reasonable to accept the proposition that patients knew that and understood that.

If you look in the templates that have been produced by the ministry for the regulations under the RHPA, you will see a specific suggestion that there be a regulatory regularization of that proposition, that there actually be a regulation that says it's okay for that disclosure to take place. I'm not sure we think that that's really necessary, but I've noticed that they have put that into the proposed regulation.

Mr Callahan: These are aside from what you've come here for, but I'm just curious: If your records are subpoenaed to court, I guess you presume that that's being done by law.

Dr Carlisle: Yes. That does produce some interesting situations for the physician in the sense that the law requires that information to be given only when you sit down in the witness box and are asked the question. So the legal requirement begins at that point.

Mr Callahan: A very risky business, I would think.

Dr Carlisle: Now, as your experience will show, when you go to court you generally want to look at the records before you get into the witness box, and the proper doctor who understands the regulation—and I get this request for information several times a week—you've really got to go there and you can't let just any policeman or crown attorney or anybody who wants to riffle through them just riffle through them. They're protected, and you can reveal what you're asked in the witness box but you can't allow people to riffle through and look. Often doctors aren't aware of this.

Mr Callahan: Just finally—

The Vice-Chair: One quick question, Mr Callahan.

Mr Callahan: Yes. I think your comment about placing the physician in a position where they don't become a detective but if something is so obvious it's jumping out at them, that that should be their only responsibility. That's all that lawyers are required when they're acting under a legal aid certificate: to report anything that's obvious or tell the client, if something comes to their attention, to go and have a new assessment or whatever. I agree with that.

The Vice-Chair: Mr Wilson.

Mr Jim Wilson: Chair, I'm deferring to Mr Tilson.

Mr Tilson: We've heard comments from the privacy commissioner this morning, and my listening to the public on this topic, they're concerned with the fraud issue but they're also concerned about the potential accessibility of everything about us, from hospital records to medical records to what drugs we took last week to what operations we had, and the potential easiness to get to this stuff. There are stories every day seem to come out about how easy it is to get into systems. This entire building seems to be on computer systems, and hospitals are on systems and how easy it is to get to that, and the fear that the whole Big Brother is watching.

The commissioner this morning gave the example of how the government is now going to have a law that's going to take a photograph of cars driving along the roads for purposes of whether they're speeding or not, and we can't even drive down a road without people knowing where we're going.

I guess that's the question, how much of this needs to be put on a little microchip. I personally find it very scary that a government, whatever political stripe it's going to be, along with all the agencies, the hospitals and the drug companies and the pharmacists and all of these people, and whomever they give the information to—the potential is quite alarming. Have you any fears of this society that we're moving towards with this age of the computer?

Dr Carlisle: Mr Tilson, I think your comments are well taken. I would agree with your perception of the public attitude towards that and I think it's a balancing act. You've heard a little bit, and I expect you may hear more before you're through with this consideration, of the immense potential for benefit of collecting all this information, at least in the medical context, for patients. There's an immense potential for good, and like everything that has an immense potential for good, it also has a fairly substantial potential for harm. So, obviously, there need to be careful systems in place to try to maximize the amount of good one can get out of it and minimize the amount of harm.

I expect that in medicine the potential for good is very incompletely utilized at this point in time and there's much to be said particularly for some of the more vulnerable patients in our patient mix who really need some help and aren't getting it. I think particularly of the elderly, where the sort of information that can be obtained about drug prescribing is just immensely beneficial, and we are not taking advantage of that to the extent that we should be. We'd welcome some of the efforts that have been announced recently to try to do better with that.

But I think your point is well taken, and it's for that reason that we're just a little—our purpose for being here today is not to suggest that you put the brakes on considering the sort of systems you're thinking about. It's just to express a gentle caution that there is another side to it, that there is a downside to it. You've mentioned some of them and I mentioned a couple in the presentation. We feel pretty strongly about that and would like you to think carefully about those issues.

Mr Tilson: Your paper's quite clear, particularly the paragraph dealing with the summary. You want some sort of protection. I guess there's the general fear of the Brown-shirts watching other members of society. What's going on is the fear of liability, of libel and slander, of saying things that may not be so, and here are the physicians trying to deal with medical problems and now they're being asked to do something that perhaps they've never been asked to do before and at the same time, the potential of breaching confidentiality. I gather that's what you're saying and I understand that. You're asking what regulatory or statutory protection is going to be given to the physician. Is that what you're saying?

1600

Dr Carlisle: I think that's part of it. We're first saying that if you're going to ask somebody to report something and you're going to hold them accountable for being reasonable in doing so, you ought to describe with some particularity that he or she is likely to be able to understand what it is you want him to do. I think I've made one suggestion. It's just a generic suggestion. There are no doubt a number of others we could come up with which would describe something that people could understand when they're expected to do something and, more to the point, the people they're expected to report about could understand when they're going to report.

One of the problems we've got with some of the arrangements that we now have for reporting is that the circumstances described are not very clear and thus the reporting raises a lot of hackles, a lot of bad feeling by people who feel that there really was no report required about them and that the doctor was quite unreasonable in making that report and the doctor's saying: "Look, I'm required to report. I'm going to be held accountable. I feel I have to report."

So our point is, make it clear, make it understandable both to the patients and to the doctor how it's going to be, and make it something that is likely to be a concept that they will be able to get their head around. Don't say, "Report if you think somebody may have committed fraud," because that's going to produce the sort of problem that recent judgements under the Highway Traffic Act have produced, where physicians decide, "To be on the safe side, I'm going to report all 1,231 patients in my practice to the Ministry of Transportation and Communications."

Mr Tilson: Has the government indicated that it's prepared to consult with you before it implements a plan?

Dr Carlisle: We haven't had any discussions about that.

Mr Tilson: I knew that answer before you gave it, of course, which is a genuine fear. What you're asking is reasonable: "Let's hear what you're going to be implementing before you implement it so that we can provide our comment, since you're asking us to"—

Dr Carlisle: I think it's fair to say, as I said in the presentation, that we support the objective. We'd like to participate in trying to make something that's going to work, as opposed to something that will appeal to the immediacy of the situation but may not actually have any value.

The Vice-Chair: We have Mr O'Connor, Mr White and Dr Frankford on the government caucus side.

Mr O'Connor: I noted with interest your distinction, for our viewers who are watching, of the role of the OMA and the college. I don't think people always recognize that the role of the college is to have a body that patients can go to and ask questions of from time to time if they've got a problem. So I appreciate your explanation and I think it might make it a little bit easier for people.

I noted with some interest some of what you've said. I guess two questions. One, we had the privacy commissioner before us this morning and we talked about health care planning and the data that could be assimilated and some real changes to health care planning in the future and wondered whether or not you might have a problem with that. We had talked about Manitoba, where they do have a database like that, and of course they don't have the freedom of information and privacy act that we do have here, so I guess I would ask you to comment on that.

I guess the other question might be: Does it happen on occasion now that patients might come to the college and suggest that, "I think that my physician may have been abusing the OHIP system that we have, the billing system that we have," and how would you react to that if someone came forward with that?

Dr Carlisle: On the first question, I didn't hear what the privacy commissioner had to say to you, so it's a little difficult to comment in detail.

Mr O'Connor: I appreciate that.

Dr Carlisle: But certainly we've always been aware that there would be the necessity to collect some information about the general health of a population and about other such matters in order to make reasonable plans for health care resources. I think everybody understands that.

I guess I'd probably echo what I rather expect, having talked to the privacy commissioner from time to time about it, the privacy commissioner may have thought, which is that there is probably not a lot of objection to be taken to information being used for those purposes, provided that everybody understands that information they're giving about themselves is being used for a particular purpose.

To answer your question generally, and without having heard what the privacy commissioner had to say, it would be that we as an organization subscribe to the views that have been now made the very clear law of the land by our Supreme Court of Canada but which have, I think, been generally accepted for some time, which is that information of this kind belongs to the person it refers to and that accordingly people ought to decide what their information is to be used for. They ought to decide on a programs basis through their representatives. You clearly represent the citizens and you're designing programs and you should have good opportunity for the public to be aware of what you're doing with information and how you're going to get that information. Then I think that if there's a general consensus that this is as it should be and that the appropriate legislative action is taken, that's appropriate and that's as it should be.

The concern is that it's so easy—and one needs only to go back to the report of Mr Justice Krever some years ago about confidentiality of health records to recognize how easy—to resolve some of these problems just by linking a few existing databases and moving data around. I rather expect that the commissioner would say, and certainly I think we would be inclined to say: "Just wait a second. The people who gave the information to be put into those databases for a particular purpose realize that you are subsequently going to decide to shift it around and use it for some other purpose? I'm not so sure about that. I think we might have some reservations."

I think explicitness and the knowledge on the part of everybody participating of what this data is going to be used for—and of course most of the government application forms now have a pretty clear statement of what the data that's being collected here is going to be used for—that is approaching the sort of situation that we probably think is appropriate.

In terms of your question, do people come to us and say, "I think that the doctor may be abusing and I'd like something," yes, we quite regularly get that kind of a letter. Sometimes there's an explanation for it which can be fairly easily figured out, there's a misperception on somebody's part. But what we do is what we do with all matters that patients and others bring to us: investigate to find out if there's any cogency to this, is there some explanation that can be fairly easily produced that satisfies everybody that there's no impropriety. If so—and that's usually the case, thank goodness—then we're able to resolve that and we're able to reassure the person that their concerns have been heard, an appropriate inquiry has taken place and it's been resolved. If they're satisfied, then that's fine.

If their complaint is of the nature that falls into the definition of professional misconduct as it's set out in the act, then we would take the necessary action to bring that on before the complaints committee and ultimately the discipline committee. If there's evidence of a criminal offence potentially having taken place, and thankfully it's been a long time since that occurred, our inclination would be to do the same as we would if we came in any context to the knowledge that somebody had committed an offence: We would notify the appropriate officials and ask them to take the matter over.

In the matter of health insurance, we've generally contacted the general manager of the health insurance plan whose responsibility it is to deal with abuses. As you know, OHIP has a system whereby it investigates the potential for fraudulent or wrong claims, mistaken claims, claims which make an error about how to use the fee schedule. All those things are dealt with through the medical review committee which is established under the Health Disciplines Act and Health Insurance Act. There is a process whereby the general manager would gather further information, send out verification letters to other patients, try to see if there's any substance to the thing. He's also of course authorized to turn the matter over to the police if he thinks that's the appropriate thing to do, and he has in fact done that on a number of occasions. The long and the short of it is that we would pass it on to the appropriate people for the appropriate action.

Mr White: Thank you, Dr Carlisle. I was very impressed with your presentation. In fact, I just read your media guide, which was sent around to my office recently. There were a number of things in it that I found to be very informative.

One thing I found rather interesting was the increase in the number of complaints last year over the previous decade or so. It seemed like an incredible increase, something which I'm sure we'd like to explore at some other time.

1610

Your articulation I think is very important. The distinction between the obligations that physicians have under the Health Disciplines Act, members of the College of Physicians and Surgeons, their obligation as professionals and the obligations they have under law, and what you're making a suggestion about is making those obligations under law very explicit and for them to come under the health insurance. I think that's got a great deal of merit.

I want to explore a little bit about the issue of fraud, though, because I would think that in terms of people using the system illegitimately, most often when that happens it's people who are attempting to gain access to the system more often than people who have used it, who have had hundreds of thousands of dollars in services offered to them, but rather someone who approaches a physician, comes to his office, requests a diagnosis or assessment for some ailment or whatever and at that point their health card number is determined to be invalid.

I realize that, as you point out, that nurse or medical secretary who sees them initially would be seen by the college as being an extension of the physician. But when that person, when that secretary swipes their number or determines that their card is not legitimate, they have not as yet established a relationship with the physician, not a substantive relationship, and they would be denied service on the basis of the fact that their card is not legitimate.

Would there not be a lessened liability in terms of the college in regard to denying that person service? They, after all, have not seen the physician, have not really entered into a confidential relationship with him in a real, effective sense.

Dr Carlisle: I see your point. I don't think it happens that way very often. There is at present no way to know whether the card is valid before you see the patient, as you've no doubt been told. One can foresee future technology where that might occur, and we'd have to consider that when we get there. Right at the present time there isn't any way of knowing, so that almost always the care will have been rendered before one discovers that the claim is not going to be paid on the basis of not being eligible. In fact, as the representatives of the OMA were pointing out to you, this is the biggest problem with version codes. There are people walking around with three or four cards, each of which has a version code. They don't know which is the correct one, the physician certainly doesn't know and there's no way of finding out in most areas of the province other than to put a claim through on one and try it out.

At the present time, I think your scenario is perhaps, unfortunately, too hypothetical to question, but I can certainly see that in the future we're going to have to cope with that question.

Mr White: But further than that, the kind of card we

were looking at, that we were having described to us both by the OMA and by the Information and Privacy Commissioner, both of those cards or card systems were ones that would allow for initial screening, and those are the kind of things we're looking at having in place. Would those cards not allow for a lessened liability?

Dr Carlisle: This is what I've suggested in the paper I've submitted to you. If you had a system which could be clear, either by looking at the picture or by some kind of other technology, to indicate that this was not the person's card or that they were not eligible, that's the kind of requirement you could easily make which people could easily understand and which would be acceptable. I don't think there are many people out there, patients or doctors, who would object to the idea that if you go and it is discovered, either by looking at the picture or by some other technology, that this isn't you or that you're not eligible, that ought to be reported. I don't think we'd have any problem with that.

The concern that I wanted to bring to you today, not to belabour it, is that if you have rather vaguer concepts, particularly in the face of a lack of understanding of the meaning of those words by the people who are involved, you will probably cause a lot of antagonism and damage to the relationship and create a lot of reports, a lot of complaints and perhaps even some litigation which are not gaining anything in terms of deterring misuse of the system in any significant way.

We're just trying to urge you that in the interim, until this technology's available, if it ultimately becomes available—and I guess that's a function of whether you think, making the best estimate you can of the amount you might be losing and making the best estimate you can of the amount that we might be costing to put this system in place, you'll have to decide whether you think it's a good idea to have it. But in any event, if we do decide to have it, then clearly it will offer some solution.

I think there are a number of issues. I didn't come here to talk about them, so I won't belabour them, but there are a number of other issues as to whether there is any practical way, in terms of screening people who are going to get these cards and have them indicating valid, to exclude people who are not eligible. That is a whole other question which is, I think, a much more problematic issue.

Mr Frankford: Somewhat following on that, the question has arisen often around the addresses on cards. Perhaps you could clarify for me and the committee. I think I know the situation, but the physician is actually required to have the address on the patient records?

Dr Carlisle: Yes, sir.

Mr Frankford: Then the potential of a cross-checking is there. Even if the patient is not taking the trouble of changing their address, the health system or the physician at least has it and should really be updating it, according to college regulations.

Dr Carlisle: Yes, that's right. The regulations require that patient's names and addresses are to be contained in the record. I expect that what we know about the keeping of the records of the addresses of patients by the health insurance system would lead us to suspect that those records are probably so substantially incorrect that today it's probably become the practice not to pay much attention to a discordance between the recorded addresses because they are so often discordant in perfectly innocent circumstances that there's not much point in doing so, although obviously from the doctor's point of view, he or she would prefer to have their correct address in the record. Obviously, both the doctors and their office staff try to keep that up to date, but I expect that it's not likely that it's acting as a very effective detection mechanism today because the records are so inaccurate.

One of the big problems, as you probably know—and maybe the health insurance people have told you—is that when you go to do audits the biggest problem is that such a high percentage of the addresses that you have for subscribers are inaccurate that the data goes, through nobody's bad intents, spraying all over the place.

Mr Frankford: It seems to me that there must be times when the physician would find out that the person is living in another jurisdiction and could legitimately say to that person, "I'm going to bill you directly because in my judgement you're not eligible."

Dr Carlisle: I think that's quite a problem, Dr Frankford, because of course there are all kinds of people who live in other jurisdictions who are eligible for coverage. Conversely, there are all kinds of people who live in our jurisdictions who aren't. So how you would determine from the patient's address, in terms of the jurisdiction in which they lived, whether they were or were not eligible is somewhat problematic. There are all kinds of people who live a substantial portion of the time in Florida who are Ontario residents and are entitled to coverage.

There are all kinds of people, for example, who have said to me, "If somebody had an address in Buffalo, you could clearly say they were probably taking advantage of the system improperly." On the other hand, there are probably students at the University of Buffalo who are resident in Ontario and who are quite eligible for coverage, and if you took simply the fact that they lived in Buffalo as an index that they were committing fraud, you'd be quite wrong. In fact, I expect in law you'd be behaving unreasonably and you'd lose the protection of the statute.

I've only thought about this personally; we as an organization haven't thought about it. But the more I thought about it, the more difficult it was for me to

determine what kind of test you would use at the point of issuing the card, given that you have to issue millions of them and given that the likelihood is that you're going to take a long time doing it if you're going to want to confront each recipient of the card personally.

If you confront them personally, you've got a well-intentioned, skilful clerical person but who has to apply a test that can applied within a few minutes—you can't take a half an hour with each one—and I don't quite exactly know what you would ask them to present to demonstrate that they are entitled to a card or to detect that they aren't, because address won't do it, birth certificate won't do it. There are all kinds of people born in Ontario who aren't entitled and vice versa. I think this would have to be looked at very carefully and I'm not at all sure that it would turn out to be as simple as it appears on the surface.

1620

We all know the last time around we did this that it turned out that the best record, admitting that it was probably a very imperfect record, that existed was the record of people who already had cards. So we basically sent a card to everybody who already had one.

As I said in answer to Mr White's question before, it seems to me that this is an interesting theoretical discussion, but until we get down to brass tacks as to exactly how we're going to do it, I'm not sure we'll see how practical it is.

Mr Frankford: Just as an observation, it seemed to me that when the new registration system was set up it was never really made clear who was eligible or not. One thing I found most surprising was that the registration form gave the option of putting in country, and I would have thought that leads to all sorts of interesting possibilities of questionable registration.

Dr Carlisle: If I may, it's because the technical definition of "residency" is not dependent upon where you live. It's a legal concept and it falls into the same problem that I mentioned earlier about using concepts which are imperfectly understood by the people who are involved in administering them. So if you say to the doctor, "We want you to report where you have reasonable grounds to believe that the person is not eligible," then we will have to have some pretty heavy-duty instruction as to what the requirements for eligibility are, because they're very complicated and it may be hard for people to understand them.

I would hazard a guess. You've practised for some time, as have I. I'm not sure that I could describe to you here in a very clear and concise manner all of the variations of the eligibility rules, and I dare say you might have some difficulty in reciting that as well. If we extrapolate that to thousands of doctors and other health care professionals who are able to bill a plan across the province, we might recognize that kind of a criterion may not actually be all that workable.

Mr Frankford: A very different area, but it was discussed in this committee, around the prescription computer system: Do you see any problems in the physician-patient relationship in the fact that the reporting, I understand, is going to go to pharmacists?

Dr Carlisle: Yes, I think there are some concerns about that. As I said in speaking to Mr Tilson before, I think there's a great potential for some benefit out of that. But it's I think evident, if you've thought about the way medicine is practised, that this could pose some significant problems in terms of the pharmacist now knowing something or thinking he knows something which may be correct or may be in error, and now has to tell the physician, who had no access to that at the time that he or she made a judgement about what treatment ought to be prescribed and now is presented with a putative fact which may or may not be right. I think that could pose some rather serious problems, so I applaud the initiative of the medical association to try to have some better cross-professional input and the response of the government to that initiative.

The Vice-Chair: Thank you, Dr Frankford. Just before you go, Dr Carlisle, the auditor has some questions for you.

Mr Peters: Just a quick one, really, in a way. I take it, in response to Mr Tilson's questions, that you feel you have not been adequately involved in the process of developing a plan and strategy in this area.

Dr Carlisle: I guess I'd have to answer that I'm not sure what the process has been. As far as I understand, some agreement about this was entered into between the OMA and the ministry as part of the negotiating that took place between them. We aren't party to that negotiation and don't have anything to do with it. We're very grateful to be invited to come here and talk to you about it and obviously would like to have as much knowledge of what is being planned as we can, simply to be able to help if we can.

Mr Peters: That leads me really to the nub of the question I wanted to ask you. In your paper you have covered very well the areas of fraud, abuse and misuse. There was a second objective in the introduction of the health card, and I was wondering if you might be willing to comment on that. I want to just refer to my predecessor's report to the Legislature.

In it we said that, "Registration information is the key to the ministry's plan to reshape Ontario's universal health care system. Relevant, accurate and timely information is essential to successfully manage the ministry's annual $5.6 billion of health benefits program. Planners and program managers require reliable information to monitor demographic and geographic trends, forecast health care needs, assess outcomes of care and plan and monitor programs."

Of course, in the area of forecasting health care needs

and assessing outcomes of care, I'm sure your college must have some significant interest. I was wondering to what extent you wished you were involved or you are involved or can be involved in dealing with complementing or supplementing or dealing with these requirements. In other words, would a database that could be developed by the use of the health card be of use to the college of physicians, and to what extent would you like to be involved?

Dr Carlisle: We have been involved quite extensively, through our work with the independent health facilities program, in probably the only actual working model which deals with the specification of objectives and the measurement of outcomes in health care that currently exist in the province. We've been an integral part of that. As you know, it is our function, under that act, to deal with outcome measurement and the quality management techniques which are part of it. So yes, we are very interested in that approach.

The similar approaches which are part of the arrangements that are being made to improve the prescription databases and the electronic transfer of data that are related to that have also been mentioned by Dr Frankford. We have been involved in that discussion as well. We were invited to be involved in it late on in the process. We were not included initially in the discussions, but we managed to get added to the list toward the end of that process.

In short, I think your observation in your report is undoubtedly correct, that ultimately, if there is to be an overall better health care system than there is now in terms of the sort of quality management techniques that we as an organization feel are appropriate, it will be necessary to base that on some fundamental database. I expect that the Ministry of Health database relating to health insurance is probably as good as any to select for that purpose.

We have been involved in providing data from our systems to the prescription database system, and it will be our membership identifier that is used as the physician identifier in that system. So the long and the short is that we agree essentially with what you've said and we would like to be part of the planning of that process. We've already, to some extent, been so. We seem to find ourselves often as the sort of forgotten other side of organized medicine.

Obviously, the OMA is the main bargainer with government and we don't propose to interfere with that in any way. But we do have a perspective to offer, bearing in mind our mission statement and what we're supposed to be concerned with. We have been very active in quality management issues and we'd like to be part of these discussions at a stage where it makes some difference.

The Vice-Chair: I believe Mr Tilson has a supplementary.

Mr Tilson: I had one question that's arisen from some of the questions that have been asked as to your thoughts on the whole issue of cost: cost of investigations to physicians, or investigation, both the cost to the ministry, the cost of—some issue has been developed between these blue hospital cards that are relied on instead of health cards, and doctors in turn relying on those, and the different computer systems that hospitals have versus the allegedly—I don't know whether there's truth in it or not—archaic computer systems that the Ministry of Health has.

All of this change for investigation, for health cards is going to cost an enormous amount of money. Whether we're going in the right direction is one issue, but the whole issue of cost is another. Has your group put your mind not only around the cost from the public's point of view but the cost to the physician?

Dr Carlisle: I think that your question ties in very nicely with the auditor's question. I think it's important that we do upgrade these systems. I expect you're probably right that any computer system and related software that you buy is by definition out of date two years after you put it into service. But I think we can see, as I've said before, the tremendous benefits that could be achieved by having good use of data to assist in the rendering of health care overall, just across a lot of health care professions.

1630

There are data largely in the United States, though we're beginning to develop them in Canada, that begin to quantify what some of those benefits are. I think we can begin to see the overall savings that could be part of health care over a long period of years if we utilize some of the systems that could be available to assist us in seeing that proper preventive measures are taken, that they're not overlooked or forgotten, that inappropriate medication isn't permitted to take place over a long period of time just through inadvertence or through the fact that nobody gets the whole picture. So I think that's all there.

Can you yet put a cost-benefit analysis on it where you consider the cost not only to the government, but to the providers and so forth? I think we're at a stage where we are in the perhaps temporary but nevertheless uncomfortable dilemma of not really being sure exactly what the potential benefit is but knowing that there's a good deal of it there; not being sure exactly what the overall cost might be but recognizing that it will be substantial; and not being really in all that good a position to make other than an educated guess, judgement call, about what to do.

I guess that sort of parallels the position that you may find yourself in as a committee in relation to the whole health fraud thing. You're not exactly sure what the losses are, though they may be substantial; you're not exactly sure what it'll cost to correct them, though it's

bound to be a fair amount; and you're not able to make more than kind of an educated guess about whether the one is reasonable in respect to the other and how far you ought to go in applying a system to try to deal with the problem.

So, I guess that's just the dilemma that health care faces today. Fortunately in Ontario, and Dr Dickson from the OMA referred to it, we have one of the better groups of folks around looking at these kinds of issues and making reports to the various joint bodies of the profession and government and giving us some indication of what the benefits might be and a little better example or idea of what the costs might be. So I guess that we're probably in as good a position as anybody.

The one thing we do know and I think this, just to bring it back and tie it to what your auditor said, is that we do have a system that, if there is any system of health care in North America that lends itself to getting the maximum benefit with the minimum inputs, it's ours because we do have a central, single payer where we can get the data and use them to assist in quality management. That doesn't exist anywhere else in the North American health care context.

In looking at some of the things we did for IHF, we regularly had people from Rand Corp and so forth coming to see what we were doing because of the attractiveness of our system. With all the other warts it may have, it does probably lend itself, with a single payer, to utilizing that data effectively for the benefit of the patient. We ought, I think, to maximize that advantage if we can.

Mr Tilson: I guess what my concern is that if the government is going to get into a new health card system, which it appears it's going to with respect to computers etc, that is going to have an effect on all of the providers, whether it be doctors or hospitals. It would seem to me that, to get back to my question, because of that there's going to be substantial cost to the hospitals, the providers etc. That's one more reason why perhaps there should be some substantial consultations, if anything, just to make the thing work economically.

Dr Carlisle: Yes, and let's not lose sight of the one thing that Dr Dickson from the OMA did point out to you, which is that there continue to be, notwithstanding the pervasiveness of electronic data claims submissions, there continue to be a number of practitioners often providing services in situations where we desperately need those services, in the far north and so forth, who are not into this electronic data stuff. I'd urge you to consider that the systems need to provide for that because those approaching the age of retirement are not likely to want to make those investments. It's going to be tough.

The Vice-Chair: Dr Carlisle, on behalf of the members of the committee, I'd like to sincerely thank you and the College of Physicians and Surgeons for your contribution to our deliberations today.

Dr Carlisle: Thank you for the opportunity.

Mrs Sullivan: I wonder if legislative research could get two pieces of documentation for us. One was mentioned by the OMA in its presentation. It was with respect to a pilot that was done at the Toronto Hospital on registration of patients as they came in, and referral to the Ministry of Health. I think it would be useful to actually see that report.

The second piece of documentation that I feel might be useful is with respect to other technologies that the Ontario Hospital Association, I believe, has reviewed that link up blue cards within a hospital or link up blue cards from place to place. I believe that study exists and they may well make it available to us. I'm not convinced, as Mr Wilson is, that the blue cards are a matter of terrible fraud, that they're being sold on the street and so on, but I think that the way they are actually being used and how they link a facility with another facility and provide access would be useful.

The Vice-Chair: We've relayed those requests to research. I assume, Ray, if you have any further questions you can ask Mrs Sullivan at a later date.

We are about to adjourn. Just before we do, I would ask members if you would stay after we have formal adjournment since we do have some matters to discuss relating to the schedule later this week.

The standing committee on public accounts stands adjourned until Wednesday morning at 10 o'clock.

The committee adjourned at 1636.

CONTENTS

Tuesday 14 September 1993

Annual report, Provincial Auditor, 1992: Ministry of Health P-241
Information and Privacy Commissioner P-241
Tom Wright, commissioner
Janet Gore, senior policy and research coordinator
Ontario Medical Association P-256
Dr Tom Dickson, president
Peter Berwick, director of administrative services
College of Physicians and Surgeons of Ontario P-270
Dr John Carlisle, deputy registrar

STANDING COMMITTEE ON PUBLIC ACCOUNTS

*__Chair / Président:__ Cordiano, Joseph (Lawrence L)
*__Vice-Chair / Vice-Présidente:__ Poole, Dianne (Eglinton L)
*Callahan, Robert V. (Brampton South/-Sud L)
Duignan, Noel (Halton North/-Nord ND)
Farnan, Mike (Cambridge ND)
*Frankford, Robert (Scarborough East/-Est ND)
Hayes, Pat (Essex-Kent ND)
Marland, Margaret (Mississauga South/-Sud PC)
Murphy, Tim (St George-St David L)
*O'Connor, Larry (Durham-York ND)
Perruzza, Anthony (Downsview ND)
*Tilson, David (Dufferin-Peel PC)

**In attendance / présents*

Substitutions present/ Membres remplaçants présents:
Fletcher, Derek (Guelph ND) for Mr Hayes
Martin, Tony (Sault Ste Marie ND) for Mr Duignan
Sullivan, Barbara (Halton Centre L) for Mr Murphy
Sutherland, Kimble (Oxford ND) for Mr Perruzza
White, Drummond (Durham Centre ND) for Mr Farnan
Wilson, Jim (Simcoe West/-Ouest PC) for Mr Marland

Also taking part / Autres participants et participantes:
Peters, Erik, Provincial Auditor

Clerk / Greffier: Decker, Todd

Staff / Personnel: McLellan, Ray, research officer, Legislative Research Service

CA2 ON
XC 21
-P72

Government Publications

P-15

ISSN 1180-4327

Legislative Assembly of Ontario

Third Intersession, 35th Parliament

Assemblée législative de l'Ontario

Troisième intersession, 35e législature

LIBRARY
OCT 19 1993
University of Toronto

Official Report of Debates (Hansard)

Wednesday 15 September 1993

Journal des débats (Hansard)

Mercredi 15 septembre 1993

Standing committee on public accounts

Annual Report, Provincial Auditor, 1992: GO Transit

Chair: Joseph Cordiano
Clerk: Todd Decker

Comité permanent des comptes publics

Rapport annuel, Vérificateur provincial, 1992 : Réseau GO

Président : Joseph Cordiano
Greffier : Todd Decker

Published by the Legislative Assembly of Ontario
Director, Hansard Reporting Service: Don Cameron

Publié par l'Assemblée législative de l'Ontario
Directeur, Journal des débats : Don Cameron

Hansard on your computer

Hansard and other documents of the Legislative Assembly can be on your personal computer within hours after each sitting. Sent as part of the television signal on the Ontario parliamentary channel, they are received by a special decoder and converted into data that your PC can store. Using any DOS-based word processing program, you can retrieve the documents and search, print or save them. By using specific fonts and point sizes, you can replicate the formally printed version. For a brochure describing the service, call 416-325-3942.

Index inquiries

Reference to a cumulative index of previous issues may be obtained by calling the Hansard Reporting Service indexing staff at 416-325-7410 or 325-7411.

Subscriptions

Subscription information may be obtained from: Sessional Subscription Service, Publications Ontario, Management Board Secretariat, 50 Grosvenor Street, Toronto, Ontario, M7A 1N8. Phone 416-326-5310, 326-5311 or toll-free 1-800-668-9938.

Le Journal des débats sur votre ordinateur

Le Journal des débats et d'autres documents de l'Assemblée législative pourront paraître sur l'écran de votre ordinateur personnel en quelques heures seulement après la séance. Ces documents, télédiffusés par la Chaîne parlementaire de l'Ontario, sont captés par un décodeur particulier et convertis en données que votre ordinateur pourra stocker. En vous servant de n'importe quel logiciel de traitement de texte basé sur le système d'exploitation à disque (DOS), vous pourrez récupérer les documents et y faire une recherche de mots, les imprimer ou les sauvegarder. L'utilisation de fontes et points de caractères convenables vous permettra reproduire la version imprimée officielle. Pour obtenir une brochure décrivant le service, téléphoner au 416-325-3942.

Renseignements sur l'index

Il existe un index cumulatif des numéros précédents. Les renseignements qu'il contient sont à votre disposition par téléphone auprès des employés de l'index du Journal des débats au 416-325-7410 ou 325-7411.

Abonnements

Pour les abonnements, veuillez prendre contact avec le Service d'abonnement parlementaire, Publications Ontario, Secrétariat du Conseil de gestion, 50 rue Grosvenor, Toronto (Ontario) M7A 1N8. Par téléphone : 416-326-5310, 326-5311 ou, sans frais : 1-800-668-9938.

Hansard Reporting Service, 481 Legislative Building, Toronto, Ontario, M7A 1A2. Phone 416-325-7400. Fax 416-325-7430

STANDING COMMITTEE ON PUBLIC ACCOUNTS

Wednesday 15 September 1993

The committee met at 1012 in room 151.

ANNUAL REPORT, PROVINCIAL AUDITOR, 1992

GO TRANSIT

The Vice-Chair (Ms Dianne Poole): Good morning. I'd like to commence this session of the public accounts committee. This morning we are looking at GO Transit.

We did have a motion by Mr Tilson: "That the Provincial Auditor conduct an audit of the Toronto Area Transit Operating Authority (GO Transit) to determine whether the agency's recent decisions to terminate and/or reduce services on certain of its routes while maintaining service on routes also served by municipal transit authorities and to areas outside the greater Toronto region resulted in the best use of the funds provided by the province to the agency and were consistent with the mandate of the agency to develop and operate an interregional transit system for people whose travel takes them through more than one regional municipality."

This morning we have as a witness Rick Ducharme, who is the managing director.

Mr Richard C. Ducharme: Good morning.

The Vice-Chair: If you would like to identify the people who are with you. Just before you begin your presentation, I don't know whether the auditor would like to comment.

Mr Erik Peters: Yes.

The Vice-Chair: Perhaps before you begin, Mr Ducharme, we'll have comments from the auditor.

Mr Peters: Thank you. I really appreciate (a) the meeting and (b) the opportunity to outline very briefly what our expectations are from this particular meeting.

The main reasons why we like to have a meeting like this before a special assignment is undertaken is really to achieve a focus for us in three areas: First is the focus itself of the assignment that we are about to undertake; the second area is what the expectations of the committee are from this particular assignment; and the third is some idea as to the appropriateness of the timing as to when we should undertake this assignment.

Let me speak a little bit about these three areas.

The focus of assignment: In the discussion that led to this motion, many areas of focus had been identified, such as how decisions are made to cut certain services, how responsibility for service is shared between GO Transit and other transportation services and why there are service overlaps and service gaps.

These issues have policy components and they have best-use-of-funds components. Since our assignment cannot deal with policy issues, our expectation for this meeting is to receive a better focus on how we can focus on the best-use-of-funds areas.

The fundamental question which we would expect to be able to answer from the focus is: Does the reduced service provide value for money for the reduced funding level that is available to GO Transit with special regard to dealing with integration with other services, with the use of capital funds and with the use of other sources of revenues available to GO Transit, as some of the examples that we might be focusing on?

The second area is the expectation from this assignment. As I just outlined, our report should not and cannot meet any expectation with regard to policies; that is, it would not be within our domain to comment if the policies of the government, the policies of the minister or the policies of the board of directors result in the best use of funds.

The expectation that should and can be met is the report on compliance with the legislated mandate by management and compliance with the memorandum of understanding by management and whether such compliance achieves value for money for the funds provided by the province. The meeting should serve to clarify the committee's expectations from this assignment in this regard.

Fundamentally, the expectations that we have would be for us to be able to answer the following questions: Were the decisions to terminate or reduce services based on the best available information? Were there sound cost-benefit analyses prepared? Was there sufficient evaluation of options available to determine the most cost-effective ones, and were there sufficient impact analyses on the GO Transit operations themselves, on the contract partners, impact on other service providers, impact on other revenue sources—that is, other than the province—impact analysis on the public and impact analysis on the environment? These would be our expectations and those are areas where we would expect to go into value-for-money issues.

The third area is a little bit on timing. It's not one of the major ones and it's deliberately left to the last. Certainly our timing would be influenced by the effective date of the service termination or reductions and the proposed evaluations by management of the results of these service cuts, of the impact on the use of funds particularly.

Secondly, one would expect that these service reductions or terminations affect a number of legal agreements or contracts, which will probably have to be

altered or terminated. That would involve notice periods, transitory provisions or even penalties, many of which would determine the timing of the service changes themselves and therefore may have an impact on our audit.

The other area which might impact on the timing would be alternate arrangements and commitments which have been made by GO Transit or which have to be met, and their timing. All of these matters can impact on the timing, and I thought I would put these three areas before you, that is: focus, expectation and timing, just to introduce where we are coming from and why we had asked the committee actually to have a pre-audit meeting of this kind.

The Chair (Mr Joseph Cordiano): I would like to turn to our witnesses today and to introduce them—or introduce yourselves, if you will. Mr Rick Ducharme, if you'd like to introduce the others.

1020

Mr Ducharme: I am managing director of GO Transit. Here with me also is Margaret Kelch, assistant deputy minister at the Ministry of Transportation, and Bert Vervenne, director at the Ministry of Transportation.

The reason we're all here is that in putting together the service cuts package, it was really done jointly between the ministry and GO Transit. As far as looking at the budgets is concerned, GO Transit looked at the detailed operations and identified what elements we could cut, and from those elements we brought forward a decision to our board, as well as through the Minister of Transportation. That's how a package was put together.

Now, in order to address the issues, as pointed out this morning by the Provincial Auditor and from my understanding of what was brought forward at the last meeting, I thought it might be best for me to give a general overview of what happened at GO Transit as far as cuts are concerned, so that you get a general understanding of how the entire package was put together. I know there are questions on specific bus routes, why they were part of the package. We can get into those specifics, but it's better to put in perspective exactly what our cuts were, if that's okay with the committee.

Back in April, we were asked to attend the session in government as far as looking at budget cuts from the province in general was concerned. GO Transit would be part of that, as one of the provincial agencies. In the latter part of April, what was brought forward were the specific packages, which were made up of two elements affecting GO Transit: the expenditure control plan and the social contract.

In the expenditure control plan, what the government identified was a cut in GO Transit's budget of $16.5 million. Basically, $10 million of that would come out of our capital. The other $6.5 million would come out of the operating deficit at GO Transit. There were subsidies required, and to put it in perspective, that $6.5 million represented about 7% or 8% of our required moneys for this year.

Some $2 million of that basically would come out of a fare increase. What we looked at was that in order to provide cuts in GO Transit as far as subsidies were concerned, we were quite concerned that to put a major fare increase in the system—because we had one last year—would create a very negative effect on the organization. If you look at what happened at the Toronto Transit Commission and other organizations, you see major ridership decreases.

To put it in perspective, in total, we see a drop in ridership, but you have to be very careful about assessing what is happening at GO Transit. GO Transit is made up of rail service and bus service. The heart of the system is the rail service, and except for the rail strike in 1973, we have never had a ridership decrease. People think we have had ridership drops; 96% of our people get off downtown, where you've seen, from 1989 to 1992, 60,000 jobs lost. We've never seen a ridership decrease. Right now the rail is increasing at a rate of 5%.

The bus is a different system. I've been at GO Transit 17 years. Over the years the bus has been restructured on a continuous basis. We talk how we work with other agencies. In the GO Transit area, we work on this basis: There are municipal operations out there and there are private operations. We try to set up the ideal system where, when we coordinate our systems, we may pull off routes on the corridors in order to support local transit. In fact, our bus system peaked in 1987. The recession did not create the drop in ridership; restructuring did.

There are 14 systems in our area that we have fare integration with. We have purposely looked at the routes continually and if we're operating through their system area, we try to make certain that we go through a rationalization process. Where it may appear that we have ridership drop, it is just that ridership increases in their system and we have pulled back service.

A good example of that is that a year ago, when we extended the rail service out to Burlington last May, what happened was that we pulled off the entire Lakeshore service and reduced the train-meet-buses substantially. That change affected almost as many riders as the entire changes we've had this year. However, what was happening in that corridor is that the local systems have grown over the years. Over the past 10 years we've seen dramatic decreases in our ridership and the revenue cost dropping on the route.

That's the type of approach we take in working with municipalities. We have special committees set up. Fare integration and service coordination are very key to how

we interact with them. In fact, there is now a special task force—I'm a member of that—looking at that to try to even improve that. Looking at the greater Toronto area and comparing it to systems in the rest of North America, we're doing a good job, but that's not good enough. We're trying to set up what people have generically called seamless systems.

Going back to what we did in looking at our service cuts, we wanted to look at cuts that would affect the least number of people, trying to leave behind services for them. In some cases, it was alternative types of services. They did not see it as being the same quality, but we were trying our best not to take service away. On the expenditure control plan, as I pointed out, that hit us 7% or 8%.

On the second element, the social contract, we were looking at, again, the idea that because of the major service cuts we had with the expenditure control plan our goal was not to have any more service cuts. It was not easy on the system and, quite frankly, without the cooperation of the union we were going to see service cuts that made the expenditure control plan look very small, because there was a major impact on GO Transit.

The requirement through the social contract generically was, I think, 5.5% as it affected most agencies, and if you signed the sectoral agreement it would come down to 4.4%. But that's not how it affected GO Transit. Because of the increases in services that we had in the previous year and the changes in our system, we were looking at a cut of 7.9%. That's why in the end these two cuts in our budget have meant that I have had to lay off in the order of 10% of our staff. Also, in the summer we bring on summer students and also work with, through co-ops, students at universities. All of those have been eliminated. There's been a big impact within GO as well as outside of GO.

When we look at the service cuts themselves, I had mentioned that we needed to cut $6.5 million; $2 million of that was through a fare increase. We put together packages that would add up to the 4.5% and, jointly with the ministry, tried to make decisions on how we identify areas that minimize the impact on the rider.

One of those elements was the reduction in fare integration that we pay out in subsidies. Right now, we have a fare integration program with 14 municipalities whereby we look at basically a seamless system where an individual in Oakville, Pickering, wherever, can get on the local system with our GO ticket and proceed on the train right down to Union Station rather than paying two fares. The way we accomplish that is that the local municipality picks up 25% and we pick up 75%. Because of the required cuts in subsidies, that was the one element we put on the table. We basically said that instead of picking up 75%, we'd pick up 37.5%. We were able to save money that way.

The second element we brought forward and implemented was the fact that we would cancel an agreement we have in southern York region. Since 1976, unlike the rest of GO Transit, where we have a basic fare structure, in southern York region we have adopted a system whereby we stick with the local fares, so that Richmond Hill, Markham, Vaughan and GO Transit would all operate with one fare and free transfers. We have a southern York region pass to look as if we were one system in that entire area. Because of the high cost of doing that, that's one agreement we will be cancelling at the end of this year.

What that really means is that we're not pulling off any service; we are changing the fare structure to the normal GO Transit fare, similar to every other route we have in GO Transit, rather than the local fare. The impact will be that the rider will have the choice of taking a ride on GO Transit at the higher fare or, for instance, Vaughan and Markham at the lower portion of York region. That's the impact, and that way we're able to solve some of the social contract issue as well as the expenditure control plan.

Thirdly, we looked at the train service between Bradford and Barrie. As far as efficiencies there are concerned, we're lucky to pick up 5 or 10 cents in a dollar. The alternative was there with the bus. The one train from Barrie to Bradford now just starts from Bradford, similar to what we had a few years ago. We have found, in looking at the ridership, basically no ridership loss because we put on a replacement bus, not only between Barrie and Bradford but also between Barrie and King City.

1030

The next cut that we had was that we had a train operating between Georgetown and Guelph. That was, again, not cost-effective. Because of the alternative GO Transit buses in the corridor, we eliminated that service, so that now all trains start from Georgetown, as they did two or three years ago.

Next we replaced the off-peak trains east of Pickering and west of Oakville. When we look at our service cuts, all along now I've been talking about bus cuts. Quite frankly, because of the municipal transit system, we've really tried to zero in on bus; the rail is the heart of the system. However, in order to get these cuts, what we looked at was that in the Lakeshore rail service, 85% of the people are not affected by any of these moves. The other 15% are in the off-peak.

All we did was go back to where we were three or four years ago and put bus replacements in there. Now, if you're going back home in the off-peak, in the evening or between the morning and evening peak, you get on a bus at Pickering station and travel to Ajax, Whitby or Oshawa. That was the type of change.

We haven't really seen any ridership loss, because we haven't taken service away; we've taken the type of

service away. The people who are forced to transfer at Pickering see that as a change in quality of service. I don't question that. However, we were able to save a fair amount of money in doing that, and the reason we were able to do that is that when GO Transit rail service was first set up back in 1967 it operated between Pickering and Oakville. That was an ideal system, because the trains operated in a cycle from one end to the other and three consists were able to do it exactly to the minute. As soon as you go one station east of Pickering or one station west of Oakville, you're forced into adding another consist, and when you were operating all the way to Whitby and all the way to Burlington, we were up to five consists. So 40% of your costs are related to that type of move, and when you look at the costing of trains versus buses, the effectiveness is very clear and any audit will point that out very clearly.

Next, what we did was we looked at eliminating the GO Transit twin pass subsidy that we had. That was part of the fare integration and that became one of the issues we had to bring back to the board because the board approved the package back in May. They said, "Okay, we have to get on with the job." We had a serious issue at GO Transit. Because of the lead time we have for our crewing, what we were forced to do is make decisions because every day just added to the problem. When we were looking at needing to cut $4.5 million out of our budget, you have to realize that because some of these cuts—for instance, the cuts in York region—were not made until last week, as you can see, all we're getting is about six months of that money. Therefore, we had to double the problem.

In the end, the $4.5-million cut on an annual basis represents about an $8-million cut in subsidy. Because we attain about 62% cost recovery, it's almost double that again. So when you ask GO Transit to cut $25, you're really asking us to cut $100 worth of service, because of the fact that revenues are all affected and it's a spiralling effect. We had to do it on a six-month basis.

What happened was that when we went forward to change our regulations and our tariffs, to have the twin pass eliminated from the tariff, treasury board made a decision that we could not use that as one of the elements. We came back to the board with another package of elements which is I think the one that has become more contentious in cutting the following elements in GO Transit.

First of all, we had put in a new service last October in Hamilton, what we call the Eastgate Square service, to try to build ridership in there, from Hamilton, meeting the train in Burlington. So we eliminated that service.

Secondly, we had operated more buses on Highway 403 across the top of Metro. We eliminated select trips on the 403 service.

Next we discontinued service at King-Maple. Again, we were looking at the cost-effectiveness of them.

Fourthly, we discontinued the Uxbridge-Toronto downtown bus service and, finally, the Palgrave-Bolton bus service.

Again, what we looked at was inner system, what services do we have out there and which are most cost-effective as far as meeting these targets is concerned. Every time when we're trying to cut $1, we have to really eliminate $2 of service. That's what it comes down to, and the problem keeps building up as we wait, as the year goes on.

In summary, they're basically the service cuts that we have done over the time period. We feel we met the targets as brought forward through the ECP and social contract. Quite frankly, some of these service cuts were things that the budget situation made us look at closely. The cost-effectiveness of it, as far as the system is concerned, I don't think has affected GO Transit as substantially as other service cuts would have. In the social contract, as I pointed out before, we were looking at cutting service corridors. We have no choice. If we go another level into the service cuts, we're talking rail corridors, bus corridors or closing down the system for periods. This was the type of thing in the social contract. It never came to fruition and I think we're fortunate.

If there are specific questions on a bus corridor, I'll gladly answer them, because we do have the figures on what's the revenue-cost ratio and what type of moneys are we saving on those corridors, which I think is an element that people are concerned with.

To put in perspective, in the corridors where we have cut we feel there have been alternatives. I think the contentious areas of Bolton-Palgrave and Penetang-Midland have moved in and provided a bus service there. We looked at our ridership. It was in the order of about 32 riders a day. They're now carrying, it's our understanding from accounts, 15 to 20 of those.

The Uxbridge-Toronto downtown was more severely hit. We had in the order of about 81 riders in that system. Trentway-Waygar was lucky enough through its process—we were pleased with that and we cooperated with it—to get a licence in that corridor. They basically have picked up the service we had pulled out on September 3. The ridership counts, from what we received from them, are in the order of 77. They've basically picked up everyone.

We have tried to assess our own service, because we have an alternative from Uxbridge that travels down to Scarborough Town Centre, but because of the small numbers—5 or 10—we can't identify for certain whether they are on that system or whether they're on the bus we have over to the Richmond Hill line. As well, we have the two trains from Stouffville, where we have a train-meet-bus.

It's very difficult. Once you're starting to talk of 5 or 10 people and you're doing surveys, it's very difficult to know if you've lost those totally, and until we go through a monitoring process in GO Transit over the next six months, we don't know how close we are to our estimates of exactly how many riders are affected.

I hope that gives a general overview of what GO Transit did, the level of impacts we had and how we approached the issue.

The Chair: Thank you. Perhaps we could turn to questions from members. I will start with the official opposition and we will start with 15-minute rounds.

Ms Dianne Poole (Eglinton): Thank you for your presentation this morning, Mr Ducharme. I'm looking at a member that was dated May 3, 1993, that was issued by GO Transit, and in it you make the statement, "Last year was a very difficult year for transit systems yet GO managed to cover almost 62% of its operating costs from revenues, a record which puts it in the forefront of similar North American operations." Now, when you were talking about that, you were talking prior to the expenditure control plan. I'd just like to look at the status of GO prior to the expenditure control plan, prior to the social contract, to see how your economies were going at that stage. For instance, you covered 62% of your operating costs from revenues. How did that compare to the previous year?

Mr Ducharme: The previous year we were about in the same order. About four or five years ago we were up around, I guess, 70%. What happened in the last couple of years is that once you move into service expansion your first two or three years are going to impact you fairly significantly. Last May we put in the Burlington extension and because of the higher rail cost that forced the revenue-cost ratio down to around the 62%. The target that GO has had for the last 10 to 15 years has always been 65%. We try to aim towards 65%, and it's a target that we're trying to use for looking at the other systems in the greater Toronto areas, similar systems, like the TTC, the largest systems.

1040

If you look across North America, we're much higher than they are. If you look at the commuter rail systems—Chicago, Boston, New York—they're sitting more around 40% to 50%. Therefore, I think our system is quite efficient.

As far as where we're at this year and last year, you have to go back almost three or four years to really understand what happened as we were way up there around 70% and when you put in major expansions. For instance, the expansion that we're into now to the Oshawa station, to bring all-day service there, and the expansion we're going to have in Hamilton will affect the revenue-cost ratio. We're aware of that. We'll take four or five years to really come back to where we know we should be, because the ridership is sort of a chicken-and-egg situation: Do you go to get the ridership or do you wait till you're under severe conditions where the ridership is forcing you to grow? There's always that problem. In your initial years you're going to drop, and that's what really happened over the last couple of years, that expansion.

Ms Poole: I have two questions that flow out of that. You've mentioned American jurisdictions, where your cost ratio is much better and your revenue is better. What about Canadian jurisdictions? How do you compare with other major Canadian jurisdictions? Secondly, how do your fare structures compare to both other Canadian jurisdictions and American jurisdictions?

Mr Ducharme: I guess the best way to refer to that question is that I had mentioned before that there's a transit integration task force—fairly senior members on it—set up to look at the greater Toronto area. A document was presented last Friday. It's up-to-date information and it's easier to refer to that.

When we look at systems such as Vancouver, it's not so much commuter rail, but it's a system where you compare the TTC and GO. Their revenue-cost ratio is 30%. When you look at San Diego, it's 53%. I think I have Montreal here, which is 36%.

You can't always compare what are they doing and what are we doing. To put it frankly, we're successful. You can check with any agency in North America and many in Europe saying GO is one of the top systems in the world. There are two reasons to be very frank about it.

The first reason is the makeup of our board, where we have representation of all the regions in our service area. When we want to build something, when we want to coordinate service, when we want the cooperation of fair integration, where we want to rationalize services and say, "Okay, local municipalities or regional system, you operate it and we'll pull our services out," that's why that's worked.

The second big reason is the support of government. The province has been, all through the years that GO Transit's been here, fully supportive of us. People in the States are caught into very complex subsidy processes. They have a lot of agencies involved in their process. We don't have that problem. We're fortunate, and as long as we continue on that basis I think we'll always be up around the 65% or 70%, higher than most systems, because if you've got that element there of cooperation and the correct board set up in your local area, transit integration and service coordination naturally happen. If you're running into political problems as far as how the system operates is concerned, I think that's where you are never going to attain that ratio. I don't think it's always because you operate a better system; I think it's because it's better coordinated.

Ms Poole: When you're talking about the favourable

ratio that GO Transit and Ontario have compared to other jurisdictions, would any part of that be because you have a higher fare structure to begin with, or are your fares quite comparable?

Mr Ducharme: We have a higher fare system compared to other elements in the States. I think in Vancouver or Montreal you're not going to see significant differences. But I have to caution on that comment, because you can't make general statements. For instance, in Montreal the way they treat the reductions on passes is much more significant than we are. They drive the ridership differently than our own, but on a sort of per capita basis ridership we're high. We have a high ridership. I'd say the fares are comparable, but not on every element of it, because they have different approaches to how you collect fares.

For instance, there are some places in the States different from the TTC, where you may have very small fares in the inner core and then zonal systems. Whether you have zonal systems or flat fare in a large area can really affect what you mean by what is the actual fare that you charge, because if you look even at our own fare structure within Metro versus TTC, there's a significant difference. However, we operate a different service and we see it as complementing rather than competing. We don't want a fare structure similar to TTC. We couldn't handle the ridership and, really, that's not our role.

The fare structure we have I think has to be tied in to what organizational approach you have in your city. It's not as easy as saying: "If this city charges $1.50, we charge $1.70. Is that comparable?" I think you have to be very careful in making general statements on that. You have to look at how do the systems work together and what role do they have. We are more into regional and I don't think we should be trying to grab more trips within Metro downtown for the specific elements until certain TTC initiatives occur. That's great.

If you look at our bus system, our goal is very clear. For 15 years now, if you go back in our system and look at what we operated, most of our routes went down to Bay-Dundas. We have purposely changed the entire system so that we have a cross-north Metro system on Highway 401 and we connect at Yorkdale, York Mills and Scarborough Town Centre. Our train connects at Kipling purposely, so that people can unload to the subway.

I can't give a straight answer as to what is a proper fare and how do we compare. We compare it on an average basis, okay, but the role we play and what we're trying to accomplish is different from other systems.

Ms Poole: I believe you stated in your opening comments that when you were hit with the expenditure control plan and then the social contract and you looked at your options, you rejected an option to increase fares because you had just had a major fare increase the previous year. Could you tell us a bit about that increase, how much it was in percentage terms, what increases had there been in the previous period to that and what impact it had?

Mr Ducharme: We looked at increases in the order of about 5%. The last was, I think, 6.5%. What we were doing in our ridership, because we were trying to learn from other systems and the TTC's impact—and maybe we were too low on the fare increase. Some people have commented that. It's something you estimate. But based on the statistics presented by the American Public Transit Association, which represents everybody in North America, what we find is that if you increase your fares up to the inflation rate, your ridership will likely stabilize and you shouldn't lose riders. If you're going for a 2% fare increase, your revenue should go up 2%. Once you go past the inflation rate, you're getting into what they call the fare elasticity effect.

People can argue what is a right number, but we keep estimating that it's in the order of about 60% to 70%, so for every per cent you increase fares, you're going to lose 60% of that in riders. If you want to increase your fares 10% and think you're going to get 10 million, you're likely going to lose $6 million in revenue and you've driven away a lot of riders. Maybe you can go a bit over the inflation rate, but we would again try to argue to look very carefully on what people's perceptions are on what they're paying to travel in the car, because that's our competitor.

There's no question that what we're trying to do, from an environmental point of view, is to get people in transit, all transit. That's why, whether it's GO Transit or a combination of GO plus, the intent is that we're all going to gain and that's why we are into cross-subsidies on fare integration, twin passes etc, to really make it work. On the fare increase, next year, or any year I might go, I'll argue the point—and maybe we will be driven higher than that—not to go much higher than the inflation rate, at least not more than 2% or 3%, unless you're ready to live with the consequences, which are that you'll have a reduced deficit but you'll be driving people back to their cars. That's never been our intent to date.

1050

Ms Poole: When you were faced with the expenditure control plan and you looked at your options and you rejected the one option of increasing fares, because you were afraid of the impact that would have on ridership, it appears that you went to two other options, which were a combination of reduced services in areas where you considered there to be already adequate service and, secondly, layoffs. What kind of cost-benefit analysis did you do at that time before you went to those options and, secondly, what kind of impact studies? The auditor mentioned in his opening com-

ments impact studies on the operations of GO Transit, the public, the environment, all these various impact studies. Could you tell us what kind of analysis and reporting was done by GO Transit before you made your ultimate decision to go the route you did?

Mr Ducharme: To be honest with you, as far as the timing was concerned, there wasn't a lot of impact analysis. The issue was brought forward at the beginning of April and decisions were made at the end of April. The analysis we did was really looking at basically the impact on the rider point of view. We tried to estimate corridor by corridor, here's the number of riders we have, here's the cost of operating that service. The ones that came to light very quickly—for instance, I'll take the obvious one, the train from Barrie to Bradford. We estimated that we would lose five people, and I don't think we lost five. We would save a fair amount of money cutting that because of the high operating costs of the rail. That's the way we did it. We went and said, "Okay, here's the cost of this service today, here's the revenue, straight from statistics." The key is, what is the revenue loss, how many riders were we going to lose? Because that's the bottom line. Based on that estimate we then came up on a cost-per-rider basis of leaving that service in.

In some of our services, like the one I talk about, we were estimating it was costing us, for those five riders, likely $70 or $80 a day, just to have them on the system. This was the type of thing we looked at. As we kept going through the list, because our revenue-cost ratio is 62%, the loss per rider keeps reducing and eventually we get to a point whereby the tradeoff isn't there any more. You're going to have to cut a lot to save a little, because every time you cut $1, if it's 62%, you're only saving 30 cents. It keeps accumulating as the problem goes.

We were looking at corridors where we could estimate the best how many riders GO was going to lose and therefore how much revenue, which affects the bottom-line deficit. We went corridor by corridor and we have the numbers based on those estimates of cost per rider. We compared those to the rest of the system. Right now the deficit per rider in our system is $2.30. That's the average. The average trip length is 30 kilometres. That puts it in perspective. If you're losing *x* number of riders and the cost to maintain that service is $10 or $15 a rider, they're the ones that we put on the table as the obvious ones to cut. Also, what we looked at was reduced impact to the riders and what are the alternatives. As I mentioned, the alternative for the Lakeshore was buses; we put the off-peak buses.

When you look at the last set of cuts, the Uxbridge to Toronto downtown, the alternative was not municipal systems or GO systems; it was the private sector. We were aware that they were applying for those licences. Quite frankly, we have cooperated with them. When we cut the service a year ago on the Lakeshore, the private operator went in there to try to make it work but the municipalities were picking up most of the routes anyway, so that's how that was effective.

What we have now in the Uxbridge corridor is we don't have the riders but they at least have the alternative service. As I say, most of those seem to be travelling on Trentway-Waygar. In the Bolton-Palgrave area, where we were looking at in the order of about 32 riders on average per day, it appears half of those are on Penetang-Midland.

In the King-Maple area, it was more difficult because of the area served there. What we've attempted to do is that the three or four buses that went through there in that time period—we have the bus that I mentioned operating from Brantford all the way down to King City bringing the people to the rail. We have extended it down to Maple, and in Maple TTC operates a service for Vaughan bringing people from Maple all the way into Toronto. I think their level of service is between six to eight minutes, so it's quite a high level of service. We feel that area is being covered.

It wasn't just, "What's the cost-effectiveness of that corridor?" because that is a key element. We had to look at saving *x* amount of dollars. The other was: "What alternatives are in that? What can we do?" That's why we got into generic items like fare integration and the agreement we have in southern York region. We're not taking service away; we're affecting special subsidies on fares. We're trying to gain as much as we could without service cuts but at the same time there were areas—in order to save that much money, eventually you have to get into service.

Mr David Tilson (Dufferin-Peel): Thank you, sir, for your comments this morning. As you know, the public accounts committee has instructed the Provincial Auditor to complete an audit on GO Transit and the purpose of this meeting is to assist him in zeroing in on particular areas as to which direction the audit is going to go. He has outlined a number of questions, some of which you have partially answered. I assume that, before this is all over, you will be providing more answers to those questions.

If you've read the resolution, the major intent of the resolution is "to determine," to use the words of the resolution, "whether...the best use of the funds provided by the province to the agency...were consistent with the mandate of the agency to develop and operate an interregional transit system for people whose travel takes them through more than one regional municipality."

I understand that you have had problems with the social contract, as have a lot of agencies and municipalities etc. The problem that I see from my particular riding, which—as you know, I represent the town of Caledon and the county of Dufferin. I know Mr

O'Connor, who unfortunately indicated he—I know he's interested in this area. He's not able to be here because of a commitment in his riding. But he's one of the members from the Durham area and he too is concerned with problems in his area.

One of the concerns—and there are a number of concerns—is the suggestion that GO bus has become a parallel service to municipal transit services in many areas. There are also suggestions that GO has run a parallel bus in areas where GO trains have been running. There's been that suggestion. I guess the question really gets to some of the detailed analysis that the Provincial Auditor is asking, because I think it's a fair question as to what studies have been made public, presumably available to this committee and available to the Provincial Auditor, on a bus-by-bus, train-by-train, stop-by-stop ridership report on a monthly basis so we can see for ourselves where these weak links are. In other words, do you have a written report that this committee could look at, looking at all of those areas?

Mr Ducharme: If you're interested in the ridership reports, we have those every month. That goes to the board. What we do when you talk about station by station, we do that, I guess, three times a year, where we purposely look at every rail station, who's getting on, getting off, where are the problem areas, where are the major constraints as far as when we get into parking problems, poor integration in that area and where do we have to improve.

Every month we do have, through the board, ridership information by corridor: all the rail corridors, all the bus corridors to give you a perspective of what is the—the way we do it is on a running 12-month basis to give you perspective of what's happening on that corridor, is the ridership dropping? Then we compare it to the month of the previous year to say, how are we faring there. It gives you a very good idea of where the weak links are and, as I mentioned before, one of the ones that came out over a five-year period was the Lakeshore West bus all the way to Hamilton.

You mentioned, and I guess people have commented, we run parallel services to municipal systems. They're correct.

1100

Since I've been at GO, 1976, we have made dramatic changes in our system and when we feel the municipal transit systems can operate them, we try to encourage that and, to be quite frank, when we look at the service we have in southern York region, I think that's a good example. We're basically operating a local system. If a regional system comes in there, you won't see GO buses or we would operate for them.

Mr Tilson: They're there. That's why I'm suggesting it would useful for this committee. There's no question that GO buses are running in areas where GO Transit buses are running, where GO trains are running, where other transit systems are running. There's duplication and that's one of the concerns that has been put forward for the Provincial Auditor to look at. Certainly, there's no question the auditor will require certain documentation as to how you arrive at your decisions.

For example, in my riding in the Peel region, only the Bolton-Palgrave bus line was cut, and you referred to that. There has been no cuts made to any of the lines in Mississauga or Brampton, which has 37 bus lines, including a rail line. They also have transit systems running throughout these entire areas duplicating what GO is doing.

My question is similar to the one the Provincial Auditor has asked, have you had an analysis of these other areas, because there has been no cuts made to the other areas in Peel? Some of the Durham members may have some questions. As I say, Mr O'Connor specifically has a similar question for his area as to the duplication that is certainly going on, and there's no rationale for the decision to make the cuts that you have.

Mr Ducharme: If you look at the corridor as far as doing an audit, that's no problem, because you have to be careful. I don't really think there is duplication there, except as I mentioned, the Lakeshore bus. If you look at services just because they're running along the same corridor as the train, you have to be very careful. That's not a duplication. They are providing a totally different type of service.

For instance, Lakeshore East, if the suggestion is—the train operates to Whitby—that we shouldn't have a Highway 2 bus that happens to parallel that, I think you'd find you're really going to disservice people, because that function is a local interregional to a different market, which is north Metro. It's not a train market.

Mr Tilson: All I'm saying is, just to take, for example, the town of Caledon, which is one half the geographical area of the region of Peel. if you're going to call it part of the GTA, you're not going to provide any GO Transit system to that area at all and yet you're not making available to the public the analysis as to these other areas. I'll let the other regional members of this committee talk about their regions, but I am familiar with Peel and your decision simply doesn't make any sense.

Even individual bus lines—for example, I'd be interested in knowing the ridership of each bus as to how much of a detailed analysis you've made, specifically, those that leave Sutton each weekday morning. I understand there are eight of them. The question is, of course, what is the ridership on each of those buses?

Mr Ducharme: We can provide that, no problem.

Mr Tilson: You can make that available to the committee. There are other little small areas, questions

for example, which all add up to the effectiveness and whether or not GO is operating the way it should. As I understand it, most GO buses stop at several subway stations. I'm thinking specifically of Yorkdale, York Mills or Finch subway stations and the question, of course, is do you need to stop at all of those stations? In other words, I guess I'm looking at working with the various transit systems, whether it's the TTC or other transit systems, to better coordinate the transit service being provided.

Mr Ducharme: For those specifically, again we can provide the numbers. When we stop at the various subway terminals you mention, that's really been our aim, quite frankly. The buses coming in across the top from Brampton, which go across and touch on Yorkdale, York Mills, Scarborough Town Centre, are bringing people to different destinations. There's always this problem that if you stop at one subway station, that's fine. You'll give service to people going downtown and the rail basically brings people downtown. We're doing the same thing with the rail.

It's our intent, and Metro has brought out its major study on this, that we want to add another 18 stations in Metro, because the goal is not to bring everybody downtown. There are major markets in the rest of Metro—Yorkdale. By stopping there, people can get off and distribute to other locations and York Mills.

Mr Tilson: But that's the point, except that in these transit areas, they go to other areas. There's no reason why GO should go to those specific areas as well when that's where the local transit systems are going to.

Mr Ducharme: But we don't go there. We just stop, for instance, at York Mills, so people can jump on the TTC to go up to the Sheppard Centre or to go midtown.

Mr Tilson: Let me ask another question. It gets back to the cost analysis, which the auditor has asked and you indicated that you don't have a lot of that. You've talked about cutting GO because private bus lines are taking over in particular areas; do you have an analysis as to how much money can be saved by getting GO out of the business of competing with itself—notwithstanding what you said, and when I say "itself," trains versus buses—competing with local municipal transit systems and indeed competing with private enterprise systems? Have you done an analysis of that?

Mr Ducharme: We haven't done the analysis because you'd have to identify those areas you feel were competing.

Mr Tilson: I can tell you right now, in the region of Peel, for example, all the municipal systems, indirectly you're duplicating.

Mr Ducharme: But they don't operate to the same areas we do.

Mr Tilson: Buses are going along the same lines, sir.

Mr Ducharme: No. But if you take, for instance—and again that's where you have to look bus by bus, the ridership distribution. From Brampton—you cite that example—we operate from Brampton, Bramalea City Centre; we're taking people to Yorkdale, York Mills. No other carrier does that. We're not there to take people from Brampton to Bramalea or Bramalea within the community. If you look at the ridership distribution, you won't find we're doing that.

We were doing that type of thing on the Lakeshore. We agreed, Mississauga to Oakville, Oakville to Burlington, and we tried to get them—it took us six years to get out of that service. We were saying, "We feel you should do it."

Mr Tilson: Have you looked at the effect of this? Again, I'm just taking specifically the region of Peel. You've only cut one line, one area, and that's the Bolton-Palgrave line. You haven't cut any other areas in Peel. Have you looked at the effectiveness of the lines in other areas of Peel?

Mr Ducharme: Yes.

Mr Tilson: Do you have a report you could let us have on that?

Mr Ducharme: If you have the specific line you want, we can provide the information.

Mr Tilson: I guess I'm looking for the rationale as to how you made these decisions as to whether the best savings are being made. In other words, you've cut two buses out of Bolton-Palgrave. Essentially, the town of Caledon, which is the northern half of the geographic area of Peel, now has no bus service, notwithstanding the fact that it's in the GTA. I can tell you that the people in my riding are most annoyed, because they don't understand the rationale of it. However, I'm sure you're aware of that annoyance.

Ms Margaret Kelch: Mr Tilson—I wonder if I could just interject here, Mr Chair, if I may. In the line of questioning that both you and Ms Poole have taken vis-à-vis the expectation of GO as to the rules or the context within which they were to be looking at these cuts, from the ministry perspective I think a couple of things are perhaps important to put on the record in terms of how we asked them to come at this and the kind of expectation the ministry had in terms of the evaluation that was going to be completed.

Number one, I think, is one that Mr Ducharme has referred to several times, and that is minimizing the impact on the users. Mr Ducharme has talked about those numbers and I think he has offered those at various board meetings in terms of ensuring that when we looked at the potential areas where these constraints could in fact occur, they were having the minimal amount of effect in terms of the actual users. That ridership information was very much a part of the decisions as they were made.

1110

Secondly, and several references have been made here, there was a very specific objective given to GO in terms of saying we wanted to be assured that this evaluation was being done on a business basis. Some of the issues you've talked about in terms of potential duplication—are we in fact providing the service according to the mandate under which GO had been established—is the kind of evaluation we wanted back from GO as it was putting forward its proposals in terms of how best to take this constraint.

So both of those objectives were very clear in terms of the conversations we had with GO through, as Mr Ducharme indicated, a very short period of time in terms of meeting the Treasurer's objectives here.

Finally, and I think this is important because several of your questions I think are yet to be answered through the exercise or the effort to which Mr Ducharme referred earlier, there is the transit integration effort. That is a major endeavour that the former chair of GO, Lou Parsons, as well as the parliamentary assistant to the Honourable Gilles Pouliot are going to be carrying out and I think a lot of those issues you're asking about in terms of how best do we make the transit system work in the greater Toronto area are precisely the mandate that particular effort has been given.

The Chair: Mr Tilson, we've run out of time. I'll have to move on to Mr White.

Mr Drummond White (Durham Centre): I have a number of questions. These changes have produced a great deal of concern in my neighbourhood. When I say neighbourhood, I say that pointedly, because I live about two blocks from a GO train station in Whitby, or a former GO train station in Whitby.

First of all, if I could go over your approach, the point you were just elaborating on, there was a request by the ministry to cut a certain amount of moneys to GO Transit. The statement has been made by the Leader of the Opposition that there was no latitude, that the specific nature of those cuts was something that was determined by the ministry. Could you describe for us how that occurred?

Ms Kelch: Yes, I'd be pleased to. The early April time line that we have been alluding to here was in fact given to us by the Treasurer where there was a target given to every ministry which was to in fact see a constraint happen in the operating part of our budgets. The Ministry of Transportation received a little less than a $111-million target, and that was to come from operating funds only. The total ministry operating funds are in the range of $850 million, and the decision was made very early that the agencies for which the ministry is responsible would also participate. I think that has been the Premier's strong feeling right from the beginning of the expenditure control plan process, that we are all to participate.

So a target was given to GO, which was determined from that original target that was given the ministry, which was about a 13% cut on its operating dollars. The actual target that was given to GO, the $6.5 million that Mr Ducharme referred to earlier, represents about 8%, and I think Rick also mentioned that figure. We felt that was a fair proportion of the total ministry cuts that were going to have to take place and, as I say, the same kinds of principles that we applied in the ministry, saying that we really wanted to look at administrative overhead, streamlining types of initiatives before we had to revert to service impacts on the public, those principles were the same ones that were applied in the ministry as well as the ones that Mr Ducharme has just described.

Mr White: So the principles that were applied in the Ministry of Transportation were basically the same as with GO Transit and the same thing I would imagine would occur with almost any other ministry and transfer payment agency.

Ms Kelch: I believe so. I believe we started looking very seriously in terms of whether there were administrative efficiencies that could be found, and we saw the impact on the user as being the last way we wanted to in fact find these dollars, but the ministry has been through several constraint challenges over the last several years, so the opportunities that are available to us are limited.

Mr White: But there was no effort by the ministry to specifically state that this bus service or this train service should be affected?

Ms Kelch: No.

Mr White: If that was entirely a decision by GO, GO was given a figure and a principle of how to work that through in terms of administrative services being targeted first and then rider services secondly and lastly.

Ms Kelch: I think it's fair to say the target and the figures to which I referred were given to the GO board. We asked them to come back with the best business plan based on those principles we just discussed. Obviously the government would have the final say in terms of whether it accepted that plan or not, and Mr Ducharme has referred to some of the negotiations that took place.

Mr White: Mr Ducharme, I'm wondering if I could reflect upon that process. The GO board is made up of regional chairs, and they would have had to approve the plan that you devised.

Mr Ducharme: That's correct.

Mr White: And that would have had to have been done prior to that being submitted back to the Ministry of Transportation?

Mr Ducharme: Yes. As I mentioned, I went to my board meeting in May with the package, indicating, "Here's how we cut the 6.5%," and they all approved it. It was on that basis that we made the first set of service

cuts in July and then the service cuts that occurred on September 3 and the change in the agreements for southern York region will occur at the end of this year.

Mr White: The GO board is made up of regional chairs and one provincial appointment, who is the chair, I understand.

Mr Ducharme: That's correct.

Mr White: Those chairs are automatically voting members of the board?

Mr Ducharme: That's correct.

Mr White: In the event that a regional chair did not wish to participate, who would represent that area?

Mr Ducharme: Well, that would be their choice to send a representative, a delegate, to the meeting. As far as the board functioning, we just need a quorum. At some of the meetings, people may be a bit late or don't attend, although most of the time we get total attendance. So when issues come up and we pass resolutions, it depends on the quorum.

You may be aware of the fact that when the GO board was set up back in the mid-1970s, initially Durham region did not want to participate and was not present on the board. Then as time went on—I forget the exact date—they became members of the board. They saw the tremendous benefits of working issues from the local municipality up through their own regional councils; they could bring them forward to the board, be represented and influence where GO would be going as far as service improvements etc.

That's really the role they play. They provide us with the assistance to accomplish everything we've done. The fare integration, service coordination and the expansion of services occurred because of their role—not just sitting on a board meeting once a month. They're sitting there as board of directors making certain that the organization is properly run, that the expansions we do are something that they have bought into.

What's more important is what they do in between the board meetings, which is bring to us issues in their region. If there are issues we're not aware of or from their perspective—they're playing two roles: They're regional chairmen, and there are initiatives they want, which may be improvements in certain areas, and that's really helped us, because they are closer to some of the elements than we are through their own regional system.

Mr White: So if I understand you correctly, only the regional chairs have votes on the board?

Mr Ducharme: Yes.

1120

Mr White: And they are also effective representatives of their areas, of the local municipalities and of the regional municipalities, and if they were to send someone as their designate or delegate, that person would not have a vote.

Mr Ducharme: We have had delegates come and basically they are there and we encourage it, if somebody's going to miss the board meeting, to make certain that everybody's on top of all the issues, because if the board is running smoothly, GO Transit runs smoothly. We've been fortunate that way and we want to continue on that basis. If there are people missing at certain meetings, they get all the information a week before through our board packages. So usually if there are issues, the board member phones us anyway if he's not in attendance and they're resolved before that meeting or at least they're brought to the attention of board members at the meeting if there's an issue. But a delegate can attend and they have from time to time due to the fact they have conflicts with other meetings etc.

Mr White: Okay. So the most responsible way of representing that local area is by that regional chair attending on there to represent the concerns of their area and to have an effective voice on the board.

Mr Ducharme: Absolutely.

Mr White: I'm wondering if we could explore the issue in our area, a very serious one. You were saying there were some cost savings in regard to the change from rail to bus service from Pickering to Whitby. That's a major concern for us. We have a rail service that's now only available at peak hours. I'm wondering if you could explain again how it is that there are those substantive savings and what those savings are.

Mr Ducharme: For that specific thing, as I mentioned before, you have to look at the operations. When we operate our trains, we pay on a per-mile basis a train user charge, secondly, the labour charges, and we have four-man crews. Obviously, the fewer trains you have out of there, the more reduced the costs.

With the setup of an operation between Oakville and Pickering—and this is the off-peak that's important, because in the peak period most of our trains are dedicated to one or two trips and they bring the people in in the morning. Usually there's 2,500 people per train and they operate efficiently. In the off-peak, what we have is six-car trains flipping between the communities. Up till our expansions east of Pickering and west of Oakville, we could operate that with three-train consists. So here we have three crews, three trains operating, and you pay a user charge based on the actual wheelage.

What happened is, once you move east of Pickering, you have to put another consist in because your cycle does not meet properly. You've extended it and you don't have enough time so you put in the extra consist, and in essence that consist is waiting at the end of a line for a substantial period. When you move west of Oakville, as we did last year, you add another consist. So we were up to five consists. Very clearly, in the off-peak, that increases your costs quite substantially.

So when you look at it and we say, "Okay, how do

we find $4.5 million?" some $1.9 million, plus administration on top of that, a little over $2 million, was saved through that initiative.

Why we zeroed in on that was not only the significant cost savings; we knew how the operations would be by replacing them with buses, because back prior to last May, that's exactly what was operating west of Oakville, and going back three or four years, that's exactly what was operating east of Pickering. So we knew the operation would work.

In the first month of that operation—and I know it's too early to tell; you have to look at it for six months to be fairer—our system has not dropped on the lakeshore east and west. We feel the riders have dealt with that issue—and I appreciate their concerns. The quality of service as they see it, to jump off a train at Pickering and jump on a bus, is not the same quality as keeping that train going to Whitby. We don't question that.

But what we were worried about is other initiatives people were putting on the table, such as, "Let's take a train out of the system on the peak hour." That would have been disaster. The peak is the critical area in GO Transit, and 85% of the people were not affected at all. The other 15% who are in the off-peak were affected, but no service was taken away from them.

As I say, it's a continual discussion and debate, is a bus as good as a train? All I have to say is, a bus is better than no train and no bus, and that's really what we're zeroing in on. But the costs were over $2 million just for that one element.

Mr White: Over $2 million. That's a substantive amount. I'm wondering if we could—

The Chair: Mr White, I have Mr Wiseman on the list and there are about two minutes left.

Mr White: Just one brief question—

The Chair: That will use up the last two minutes, sir.

Mr White: —and that's with regard to the issue of the extension, the capital spending to take the GO train service from Whitby to Oshawa. There has been some thinking on the part of the opposition not to reinstate the operating service but to cut the capital expansion. Certainly in my area, in Bowmanville and Oshawa and Whitby, that expansion is very, very popular. Could you describe for us when you're expecting that completion?

Mr Ducharme: Okay, you're talking of the construction of the two tracks between Whitby and the Oshawa station?

Mr White: That's right, and further to mid-Oshawa, of course.

Mr Ducharme: Okay, I'll answer the first question. Phase 1 is under construction. In fact, with most of the contracts, for us to cancel them now I think will cost you more money. The expenditure is in the order of $50 million to $60 million. It will be completed basically the end of 1994, early 1995. It's on schedule, as presented before. Like I say, there are big elements under construction. Victoria Street grade separation is well into construction, the majority of it being done. There's $11 million right there. For most of the track work that's done, like I say, to stop it now, you're not saving much because you're going to have a lot of claims through contractors. That, to me, is a commitment already there, and it's on schedule, 1994-95.

The Chair: Thank you, Mr White. I have Ms Poole. We're going to conclude with a last 10-minute round for each party.

Ms Poole: I'll be fairly brief because I know Mr Callahan has some questions, and I'll avoid asking you about market value assessment and what the impact would have been on GO with Metro's ill-conceived plan that the province fortunately reversed its decision on.

Going back to what we're discussing today and supposed to be discussing today, you mentioned with the expenditure control plan—I think it was in your May 1993 memo—that there would be a cost of $4.5 million to GO after you had already done the $2 million worth of reductions. You didn't mention a figure for the impact of the social contract on GO. Do you have a dollar figure for that?

Mr Ducharme: Yes. As I mentioned before, generally agencies were asked to cut 5.5%; that was the average figure. You signed the sectoral agreement; it was 4.4%. We argued at the table it didn't work for us. The problem was that they were using 4.4% on last year's budget. We pointed out the Burlington extension occurred during the year, our operating costs went up, we put in four new bus routes; therefore, our base had changed dramatically.

In essence, what happened through the process, though, was we were told still to cut 4.4%, which really was 7.9% on salaries. The actual figure is $3.8 million. That's why we had so many layoffs, even working towards the—taking a day off without pay doesn't work at GO Transit. It was on the table. One of the elements we were considering was closing GO Transit down from December 23 to January 2, and that would only have gotten one third of this. It would have destroyed service for everybody in our system in that time period and, like I say, with the agreement of the union, we backed away totally from service reductions.

As far as taking days off without pay, we can't. How do you tell a driver not to operate that bus one day a month? If you put a replacement in there, it costs us time and a half. So that's an area that doesn't work for buses and doesn't work for station attendants, so the majority of the system couldn't buy into it. So what we bought into as the social contract was unpaid stat holidays. In other words, it wasn't affecting service, and we were able to cope with that. The rest of it had to

come through layoffs. That's why we were hit fairly hard. But we stayed away the best we could from service cuts, because at $3.8 million—like I say, the $4.5 million cut into services, but you go another $4.5 million, you're talking big service cuts. We're talking elimination of rail lines or entire bus corridors. It's not a bus here and there any more. So that's what we were able to stay away from, from that figure.

Ms Poole: So the total impact was over $10 million, with the $6.5 million plus the $3.8 million.

Mr Ducharme: Yes, the $10.3 million, which is about 12.9%.

Ms Poole: Thank you.

Mr Robert V. Callahan (Brampton South): Mr Parsons was out in my community dealing with an issue that I've been fighting for, as have been the members of my community, for quite some time: increased service between Brampton and downtown Toronto. As you know, there's a problem there. There is single tracking, I think it is from Brampton to Bramalea, that had to be resolved, and it should have been resolved probably 20 years ago when it would have cost about one tenth of what it would cost now. But it seems to me Mr Parsons, unbeknownst to me, actually, made an announcement that this was going to be dealt with. I want to know whether or not that's going ahead or if that's affected by this whole process: whether it's in the mill, whether it's on its way.

1130

Mr Ducharme: To answer that, I'll give you a broad answer and then a specific answer.

In the work we have done in the last two years looking at our expansion program and our business plan, because of the major growth in rail, because of the major land-use development that everybody keeps talking about in the greater Toronto area, it's not whether GO will expand; it's when we will expand. I don't think there's much alternative if you're going to have any growth in downtown Toronto.

What we have put forward in the last two or three years, as a major team dealing with both CN and CP looking at expansion programs, they have done major simulations for us, because they have assessed their own corridors: What's their freight growth, what's going to happen with Via and how does GO fit into that? So what we have now is a package of information on the Milton line, the Georgetown line and the Richmond Hill line. We've gone through the environmental process for Milton. The report has been submitted to the Ministry of Environment and Energy. For Richmond Hill, the report was submitted a month and a half ago. The Georgetown environmental assessment, the report should be submitted in the next two months.

Mr Callahan: Can I get a copy of those reports, by the way?

Mr Ducharme: Sure. In that process, even if we get approval from the Ministry of Environment that for what we're building, we have mitigated what we should as far as environmental impacts, there still is the issue of the actual construction budget. What we have had approval for through the board is to proceed with at least a design.

In the Georgetown corridor specifically, what we're doing is a two-phased project. The big problem is, if you want all-day service to Georgetown, there are major impacts. So what we are able to do with commuter rail, which is a very positive point—it's not like building a subway, where you've got to spend $100 million to go one station; $100 million buys us the whole project. What we can do is incremental improvements. Phase 1 of that project will be to fill in the single-track gauntlet you referred to, Brampton in, as well as a single-track gauntlet in Georgetown, which would give us a couple of more trains. The next move is to add some third mainline track.

In essence, based on the ridership estimates presented by everybody we've dealt with, the key ridership movement is Brampton into Toronto. West of Brampton, the ridership isn't there to really substantiate major improvements now. That doesn't mean in 10 years from now we won't be driven to that. So we're putting the onus on especially the Bramalea station in. That's where we're looking at major improvements there, where the intent would be to have two tracks all the way up to Bramalea, with a third track and especially a pocket track right at Bramalea station. We generally design with CN to accommodate that, with the two platforms and a third track. They are into a detailed design on that second track for the gauntlet.

As far as whether the funds are there, that is the next step, but we, on a positive basis, want to be prepared to move on these things. Over the 25 years GO has been there, we've always been under pressure to expand because of major ridership growth. We still have 5% growth. We're trying to get ahead of the game with these design elements so that when it's identified, that's part of our budget, we continue to move on those expansions.

Mr Callahan: Can I get a detailed outline of what's going on there? As I say, that's been something I've been fighting for for ages. I guess the two problems were the single tracking between Brampton and Bramalea and also the fact that CN and CP don't operate on any specific schedule; they go when they've got freight. I thought Mr Parsons said there had been some discussions with them in terms of regularizing or perhaps accommodating further traffic between Brampton and Bramalea.

Very clearly, the problem we've got there is we have one of the largest-growing communities in North America. We have people who have to squirm and

actually probably cause great trauma to their bodies by taking the 401. Thank God I can get off at 427. If I had to come along the 401 to work, I would have quit this job a long time ago. I'd like to put somebody in a stress helmet. It would probably be equivalent to leaving the earth in one of the rocketships, and they have to take that every morning,

So that's major, and that's where I'm concerned as well in terms of the cutbacks. Although they don't directly affect my area, they do in fact clog the highways with more buses. If the name of the game is to get people off the highways, which are totally inadequate for what—I mean, we have the same highways, it seems to me, that we had back 20 years ago, and the population has quadrupled and so on.

The second thing I want to ask you is that there was a process in our municipality to encourage people to take our transit system and link with GO. I notice that in some areas that subsidy has been cut back. Has that been cut back in the city of Brampton?

Mr Ducharme: No. Both Margaret and myself have alluded to this Transit Integration Task Force. Because of the importance of better coordination and integration in the area and because fare integration is really the basis to it all, we're all agreeing that fare integration is very vital to make it a seamless system. People cannot be jumping off one bus worrying about second fares and that.

With transit integration, what has happened is the Ministry of Transportation has supported it, saying, "Although GO has to deal with the budget cuts and we have reduced its subsidies to 37.5%, the ministry has been able to pick up the other 37.5%, so there's no effect on local municipalities."

At our Transit Integration Task Force meeting last Friday, they have gone one step forward, because that brought it to the end of the year, and they have confirmed that they will support it all the way next year as well while they reassess their budget. So the transit integration has been left whole through the support of that committee, because everybody's trying to work towards a better system.

The Chair: Time is up.

Mr Callahan: My time is up, but I'd appreciate receiving that material on where we're at with the expansion of GO service from Brampton. It's very important to my people.

Mr Gary Carr (Oakville South): Thank you for the opportunity to share your information with us.

My question relates to the issue of selling off some of the assets that we heard about in the past. Maybe you could give us a bit of a status of where you're at with that and how you see it saving money, and update the committee here.

Mr Ducharme: We have been dealing with treasury on that issue, and it's really called the sale-leaseback of our rail equipment. It started off that we were looking at all our equipment, but as we went through the process, what made most sense was to sell off the bilevels. One of the key issues in there and brought forward to the GO board and acknowledged through treasury is we wanted to remain whole with no jeopardy to our operations as far as subsidy, no jeopardy to the operations or to the passengers as far as the equipment itself. So in putting together the deal on that issue, we're at a point now that basically all the elements have been agreed to.

The key issue that is at the table right now is that in order to make it work properly, you have to have the correct balance between the value of the dollar and interest rates, because through the deal itself what happens is the province can save in the order of $10 million over the 12 years because of the fact they can go through this sale-leaseback arrangement cheaper than borrowing money themselves, so it makes a lot of sense. So from a provincial taxpayer's perspective, we all win.

GO Transit is really the element by which we have the equipment. It won't affect the operations, the maintenance of it; all it is is really a money process. Like I said, the agencies—treasury, GO Transit, the ministry—are all very comfortable in the deal struck to date. Why it hasn't gone forward as a finalized project is, like I say, the balancing act of timing, timing being interest rates and the value of the dollar.

Mr Carr: The board, then, has approved the process?

Mr Ducharme: No.

Mr Carr: Because my understanding is—and correct me if I'm wrong—that it's a provincial initiative to help them out to make their books look better, but the board hasn't approved it. Is that what's happening with the board, that the board has not approved that?

Mr Ducharme: The final approval is not through the board. We've updated them I think five or six times, saying, "Here's where we're at." Because until we have a situation saying now's the right time—they're saying, "We want the full package," and treasury would be represented at the board meeting, saying, "Here's how it affects GO Transit." But like I say, the environment isn't there yet where you have the ideal situation to say, "Sign the deal." But they're well aware of it through our past chairman, Lou Parsons, who's been closely involved in that. They're comfortable at this point in time, but they're saying, okay, when it's the final signing time, that's when they give final approval.

1140

Mr Carr: But didn't they pass some type of resolution asking the provincial government to go slow on that? They are not in favour of it, as I understand it, at all.

Mr Ducharme: No, that's not true. What they want is, they pass the resolution and they want assurance that it will not affect the passenger operating subsidies, that if we're going to go through this process, it's not taking this, which would be about $30 million a year, and saying, "Okay, that's part of your operating budget," because we couldn't handle that. The assurances are there that that's not what we're trying to gain. It's an overall provincial gain. GO Transit is really the agency that has the equipment. They'll be looking at other agencies as well.

Mr Carr: They never requested this, from their standpoint, to make them more efficient. It is, as you mention, just a provincial initiative to make their books look better. I know you probably can't comment on it, but isn't it really just an accounting procedure which is going to basically change year-over-year figures but selling it off really isn't going to save the province any money? You talk about borrowing rates. You would have thought that the province, with all its credit rating, albeit the fact it's slipping substantially in that regard, would have more borrowing power. We always have heard that the province should use its borrowing power because it has a stronger credit rating. Isn't really all this initiative just an accounting procedure to make the province's books look better?

Mr Ducharme: No. The bottom line, and I'm being very frank about it, is the savings to the province, and the estimate at this point in time, based on the financial situation, appears to be about a $10-million savings. So it's not—

Mr Carr: Would you be able to give us the reports, then, that say that, the savings, so we can go through them?

Mr Ducharme: Yes, once they finalize it. I guess, really, to be honest with you, those questions should be directed through treasury, because they're the ones that can bring forward—it's a financial plan, a business plan. That's all the board is looking for: "How much money are we saving?" and "Let's make certain there's not an effect on GO Transit operations." That's really—

Mr Tilson: It's a relevant question, of course, though, because if you're having all these substantial cuts to the GO service, Mr Carr's question is quite valid at this particular point rather than waiting for the deal to be consummated. So why wait?

Mr Ducharme: The deal isn't consummated and, like I say, it has to go to the board for approval, and that's the bottom line they are looking for: What is the cost saving? Is it just a paper exercise? It isn't. People can look through it and say, "Justify it and prove to us that you're really saving this money," because if there's no cost savings, the intent is not to move forward.

Mr Carr: And that's the board's position, not the province's.

Mr Ducharme: No, that's the province's position. It's very clear to us.

Mr Carr: The province's position is, with all due respect, to make it look better.

Mr Jim Wiseman (Durham West): You are trying to put words in his mouth, Gary.

Mr Carr: It isn't him; he doesn't represent the province. He's talking from GO Transit. I'll tell you what the province's—

Ms Kelch: Mr Chair, may I just offer a couple of comments from the ministry's perspective? Obviously we've been a key player in this relationship. As Rick mentions, it's the Minister of Finance who has the principal role to play here.

But this is an issue which is not exclusive to GO, and we've had several conversations with Finance across many ministries and across all of us that hold assets as to whether this is a real opportunity in terms of garnering the kinds of savings we're all looking for these days.

I think Rick has indicated, but I'd like to reiterate it in the broader context, that the treasury officials, in terms of discussion with us, have been very, very clear that we need to be able to prove very real savings both on paper and on the ground if we're going to proceed on any of these fronts. But it isn't just the GO trains that are being evaluated.

Mr Carr: Yes, I understand that, and I appreciate that the board, I suspect, won't give approval if it doesn't agree. The only problem is that, as you know, giving your approval for things when you're disagreeing with the government that controls the tap and the funds is very difficult to do. But I'm sure the chairmen of the regions will not give their approval, and it's my understanding they won't, unless they see the benefits. We'll wait and see on that. I would like a copy of the report, as soon as it's available, of how it's done so we can take a look at the details.

I'll turn it over to Mr Tilson.

The Chair: There's time for one final question.

Mr Tilson: I'd just like to reiterate that you will make available copies of all reports, whether they be evaluations of operations, cost analyses, to the committee as soon as possible. The reason I say that is that there's much scepticism as to the justification in making those decisions, as I've indicated in my past questions. I had delivered to me a letter from a constituent this morning. I haven't checked the accuracy of it, but this is what she says:

"If ridership, or lack of it, is a factor in cancelling a bus, why are they still running the 5 pm Brampton bus from York Mills? This past week I have seen it come into Yorkdale with only one person on board to pick up one more and leave. This happened every day last week except for Friday, when it left with six people on board.

Does he stop at another depot and pick up a load of passengers or does he make the run to Brampton with only the people he picked up from York Mills and Yorkdale?"

The point of the question, of course, is that there is much scepticism, and hopefully you will have detailed reports that will justify your decisions.

The Chair: I think we'll leave that as a comment.

Mr Tilson: But I'd like an answer to the question that you'll make all those reports available to the committee.

Mr Ducharme: As far as the analysis we had done and the figures that we brought forward to the board, no problem.

Mr Tilson: To justify your decisions.

Mr Ducharme: Yes.

Mr Wiseman: I'd like to get at a few other points, if we can. How much does it cost per mile to build a rail line?

Mr Ducharme: To build a rail? I have to be careful to give you a general answer. If you're building another mainline track based on one track or if you're building two new ones—for instance, the Whitby to Oshawa extension, where we're building our own exclusive right of way, is in the order of $50 million to $60 million, including the station costs. But that's not what would happen in other areas. To add more trains to Georgetown, where you only have to build a portion of a second mainline track, would be a lot less than that.

It can be in the order of $5 million a mile, but you have to be careful in using that: maybe $5 million to $10 million, although Oakville to Burlington was $110 million. We built two new stations and expanded the service by additional mainline track over 10 miles. So you could say $10 million, but it's usually around $5 million. Like I said, I'm trying to be cautious in giving you an easy number to throw on the table and say that's what it's going to cost you, because it may be a lot less than that.

Mr Wiseman: How much does it cost GO to pay CN's or CP's right of way to run the trains? How do you determine that?

Mr Ducharme: We'd have to look corridor by corridor. The costing is broken down into labour costs, four-man crews, and then it's broken down into user charges on the corridor. Every corridor is different, because the way they come up with the estimate is that there are actual dollars spent on maintenance, and the use of the corridor itself then is distributed according to your traffic on there.

For instance, on the Georgetown line, where there is a lot of freight and you have Via, GO would only pay a certain portion of it. On the Stouffville line, where we're the major operator, we might pay 80% or 90% of it. On the Lakeshore line, I think our traffic is 60% or 70%, and you have Via there and the freight. So every line is based on usage for the user charges. Then, like I say, you have the right-of-way charges and actual maintenance charges, where they're distributed according to that too.

Mr Wiseman: Do you anticipate that by owning the Whitby to Oshawa line, your costs are going to be lower in the long run than they would be if you were to use an existing line?

Mr Ducharme: On an operating basis?

Mr Wiseman: Yes.

Mr Ducharme: I wouldn't say it's going to be cheaper. You have control of what type of operations you have, because we control our own destiny there where they're our tracks. You're not competing for time, for freights, and for Via. So that's where the cost savings are.

When you talk about maintenance, maintenance charges are maintenance charges. You have a crew out there doing certain maintenance. In fact, for the Pickering to Whitby section, we have hired CN, which is the most effective, to do our maintenance. There's no magic in what's needed out there, because under MTA, you have certain rules, you have a certain level of safety, so therefore the standards are very clear.

1150

Mr Wiseman: On the section of line between Oshawa and downtown Toronto, that line is shared with freight trains, is it not?

Mr Ducharme: All the way down to Toronto; oh, yes. Down to Union Station is shared with freight as well as with Via.

Mr Wiseman: How much of an impact does their schedule have on your ability to schedule trains? Are you comfortable with being able to schedule them as frequently as you would like?

Mr Ducharme: They have an operation where they have customers there—we're just another customer for CN—and their existing customers need specific windows as far as providing service. They have done the best job they can, I feel, because we've gone through assessments over the years and tried to find every which way we can to improve it, but as far as the peak hour and peak period, we're basically buying the track, because with the frequency of our trains and Via slotted in there, there's not much freight that can fit in there.

If you want to buy even more service, we're talking in that section of building another mainline track. The reason is, if you look at the Lakeshore West, right now we have four tracks out to Mimico because there's high frequency in there of our equipment trains moving from Willowbrook as well as the Via equipment trains from Mimico across the road, so you have four tracks in there. You're really operating service on two, and your

equipment moves for the other service are on the third and fourth.

Then we have three tracks all the way out to Port Credit; two to Oakville. That gives us the ability to short-turn trains and start them off at Port Credit and move them in.

In the east we would like the same type of thing. We have two mainline tracks. Where we would like to improve service is that right now we're basically caught with only being able to operate local trains all the way out to the Pickerings, the Whitbys. We'd love the same situation as we have on Lakeshore West, where you can have express trains picking up Oshawa, Ajax, Whitby express all the way to Union, fitting in with local systems that may short-turn at Guildwood. So you've got a balancing act, and in order to do that, we need another mainline track.

I think there's a notion that railways have all this train time out there and the freights are not allowing us in there. It's a matter of fact: They have customers and they have freight trains. However, based on the signalling system and the track, you can go through the evaluation, and if you want a safety margin in there, which is the standard dictated through MTA and I'd want anyway—we haven't had an accident of any kind in 26 years at GO, and we never want one. If you want to start putting more trains in there and forcing the signalling system to accommodate more than it should, you're looking for trouble. You may be happy initially with more service, but we've gone through so much detail on the simulations, I feel comfortable in what we're doing. I look at it from a general point of view and a practical point of view. When you have a corridor, if you've got two tracks of single-track sections, you're never going to have a good level of service. I don't care what CN does. Two tracks have to give you the flexibility for the meet. So that's a minimum.

When you have other elements in the corridor such as Via and freights, you'd better be looking at three-track corridors, and really, if you look at where GO is going incrementally, that's what you're going to end up with, and I think it's a very practical approach, because from a cost-effective point of view, you talk about how much per train mile, we're carrying into Union Station in the peak hour 27,000 people. That's a lot of highway that you would have to build to bring them down here. So we're moving 2,500 people on a train, and you've got four or five of those trains. If you look at Lakeshore West, you'd have to put two more decks on top of the QEW to accommodate what we carry, so on a per-mile basis, it's still very reasonable.

Putting aside criticisms of the railways, quite frankly, we've done so many simulations and assessments, I think we've really pushed them to give us the best they can, because until you get rid of their other customers—we're a customer, Via's a customer, and will continue to be. I think they have really pulled it together and made an efficient system.

The Chair: Mr Frankford wanted to ask a question and there are only a couple of minutes left.

Mr Wiseman: I just wanted to ask a quick question. Durham region is very much interested in this transit integration initiative. Could you just very quickly give us an idea of how that is progressing and an update on it? It's important in our area.

Mr Ducharme: The Transit Integration Task Force?

Mr Wiseman: Yes.

Mr Ducharme: We've had two meetings of the task force itself. There are four major subcommittees and, quite frankly, it came out of the meeting—we had an all-day meeting on Friday—that there's total commitment to try to improve this. We're zeroing in on the basic element of a one-fare medium. We keep using the buzzwords "seamless system," but that's what it is, and that's what we try to accomplish with fare integration with Pickering, for instance, where you use one fare and you can travel both systems.

If you look at our existing ticketing system, you can have a 10-ride ticket on GO. That 10-ride ticket is good in 14 municipalities as long as you paid your fare according to the correct zones, as well as if you have the twin pass on TTC. We're trying to improve it, though, because technology can try to improve it so that we're not all using different technology, but at the same time there's the fare structure, whether you have zone fares and how you treat the level of fare reductions for seniors etc. That we work towards a consistent approach is what we're all trying to strive for.

Secondly, the other element is, let's make certain we're doing everything we can on service coordination whereby the meets are there. It's not whether the fare is good but do I go to a station and there are no buses, or do I have a bus there and there's no train? So it's working at both of those.

The report itself should be together by December or January, with specific recommendations on how we improve this as far as organizational changes: "What can we do better?" rather than saying, "We're doing a good job." That's fine, a good start, and now let's start fixing up all the things we feel are lacking.

I think it's a very positive committee. I think there's a high enough level that the buy-in is there, and it involves mayors from the surrounding area, it involves the transit agencies—I'm there, Al Leach from TTC, Ed Dowling etc, the other municipal systems surrounding Metro—to really say: "Here's what we're doing. We've worked together, but how do we all work together?" So I see it as very positive.

The Chair: Mr Frankford, one very final, brief question.

Mr Robert Frankford (Scarborough East): I'm

very pleased we're discussing this because I have two GO stations in my riding, Port Union and Guildwood, and I think this is potentially a very valuable exercise in looking at the broader costs of different modes of transportation.

Are you satisfied that the recent service cuts are consistent with GO Transit's long-term goal of encouraging further transit use as an alternative to the automobile?

Mr Ducharme: I guess as with any budget cuts, from GO's perspective an easy answer would be, "No, I need twice the money." The political realities are there, and the budget realities. I had pointed out before that our target years ago was set up at 65%. We're not there. So if the objective is to move towards that, whether it's a budget cut done through ECPC social contract, and for us to move towards that, I feel comfortable with it.

On the broader question of the environmental issue, whether people should be in their car or on transit, I think I said it before: We want to improve. We want everybody to use transit. That's fine as a transit agency, but when I look at the performance we have and the support by government, it's hard for me to say that that support isn't there. It's something that's been more difficult to deal with because we've always been growing, we haven't cut, and the realities are there that we're not the only agency. I'd feel differently if we were the only provincial agency that had to buy into this program, but we're not. We're just one of many. What we're doing is taking a very close look, and quite frankly, I think we're going to be better for it in the end.

There are specific areas where people have serious concerns as far as it affects them personally. It's difficult to deal with, but from a business point of view, I don't feel uncomfortable with it. I don't think we're treated any differently than other agencies and I think we've done our job to address the issues.

The Chair: I'd like to thank you for appearing before us this morning. There are obviously some requests outstanding for further information and clarification, and we can work through our clerk to make sure that we get that information to the committee.

Mr Tilson: On a point of order, Mr Chairman: Does the Provincial Auditor require any further specific direction from the committee to complete the task we've asked him to do?

The Chair: Perhaps he would like to comment on his final—

Mr Peters: Not at this particular point in time, but I thought the closed session this afternoon was going to be an opportunity to discuss the further action on your motion.

Mr Tilson: Thank you.

The Chair: Thank you again for appearing before the committee. We are adjourned until 2 o'clock this afternoon.

The committee recessed from 1159 to 1415.

The committee continued in closed session from 1415 to 1540.

CONTENTS

Wednesday 15 September 1993

Annual report, Provincial Auditor, 1992 . . . . . P-283
GO Transit P-283
Richard C. Ducharme, managing director

STANDING COMMITTEE ON PUBLIC ACCOUNTS

*__Chair / Président:__ Cordiano, Joseph (Lawrence L)
*__Vice-Chair / Vice-Présidente:__ Poole, Dianne (Eglinton L)
*Callahan, Robert V. (Brampton South/-Sud L)
Duignan, Noel (Halton North/-Nord ND)
Farnan, Mike (Cambridge ND)
*Frankford, Robert (Scarborough East/-Est ND)
Hayes, Pat (Essex-Kent ND)
Marland, Margaret (Mississauga South/-Sud PC)
*Murphy, Tim (St George-St David L)
O'Connor, Larry (Durham-York ND)
Perruzza, Anthony (Downsview ND)
*Tilson, David (Dufferin-Peel PC)

*_In attendance / présents_

Substitutions present/ Membres remplaçants présents:
Carr, Gary (Oakville South/-Sud PC) for Mrs Marland
Martin, Tony (Sault Ste Marie ND) for Mr Duignan
Sutherland, Kimble (Oxford ND) for Mr Perruzza
White, Drummond (Durham Centre ND) for Mr Farnan
Winninger, David (London South/-Sud ND) for Mr Duignan
Wiseman, Jim (Durham West/-Ouest ND) for Mr Hayes

Also taking part / Autres participants et participantes:
Peters, Erik, Provincial Auditor
Kelch, Margaret, assistant deputy minister, quality and standards, Ministry of Transportation

Clerk / Greffier: Decker, Todd

Staff / Personnel: McLellan, Ray, research officer, Legislative Research Service

CA2ON
XC21
-P72

Government Publications



P-16

ISSN 1180-4327

Legislative Assembly of Ontario

Third Intersession, 35th Parliament

Assemblée législative de l'Ontario

Troisième intersession, 35e législature

LIBRARY
OCT 19 1993
University of Toronto

Official Report of Debates (Hansard)

Thursday 16 September 1993

Journal des débats (Hansard)

Jeudi 16 septembre 1993

Standing committee on public accounts

University Accountability

Comité permanent des comptes publics

Obligation redditionnelle des universités

Chair: Joseph Cordiano
Clerk: Todd Decker

Président : Joseph Cordiano
Greffier : Todd Decker

Published by the Legislative Assembly of Ontario
Director, Hansard Reporting Service: Don Cameron

Publié par l'Assemblée législative de l'Ontario
Directeur, Journal des débats : Don Cameron

Hansard on your computer

Hansard and other documents of the Legislative Assembly can be on your personal computer within hours after each sitting. Sent as part of the television signal on the Ontario parliamentary channel, they are received by a special decoder and converted into data that your PC can store. Using any DOS-based word processing program, you can retrieve the documents and search, print or save them. By using specific fonts and point sizes, you can replicate the formally printed version. For a brochure describing the service, call 416-325-3942.

Index inquiries

Reference to a cumulative index of previous issues may be obtained by calling the Hansard Reporting Service indexing staff at 416-325-7410 or 325-7411.

Subscriptions

Subscription information may be obtained from: Sessional Subscription Service, Publications Ontario, Management Board Secretariat, 50 Grosvenor Street, Toronto, Ontario, M7A 1N8. Phone 416-326-5310, 326-5311 or toll-free 1-800-668-9938.

Le Journal des débats sur votre ordinateur

Le Journal des débats et d'autres documents de l'Assemblée législative pourront paraître sur l'écran de votre ordinateur personnel en quelques heures seulement après la séance. Ces documents, télédiffusés par la Chaîne parlementaire de l'Ontario, sont captés par un décodeur particulier et convertis en données que votre ordinateur pourra stocker. En vous servant de n'importe quel logiciel de traitement de texte basé sur le système d'exploitation à disque (DOS), vous pourrez récupérer les documents et y faire une recherche de mots, les imprimer ou les sauvegarder. L'utilisation de fontes et points de caractères convenables vous permettra reproduire la version imprimée officielle. Pour obtenir une brochure décrivant le service, téléphoner au 416-325-3942.

Renseignements sur l'index

Il existe un index cumulatif des numéros précédents. Les renseignements qu'il contient sont à votre disposition par téléphone auprès des employés de l'index du Journal des débats au 416-325-7410 ou 325-7411.

Abonnements

Pour les abonnements, veuillez prendre contact avec le Service d'abonnement parlementaire, Publications Ontario, Secrétariat du Conseil de gestion, 50 rue Grosvenor, Toronto (Ontario) M7A 1N8. Par téléphone : 416-326-5310, 326-5311 ou, sans frais : 1-800-668-9938.

Hansard Reporting Service, 481 Legislative Building, Toronto, Ontario, M7A 1A2. Phone 416-325-7400. Fax 416-325-7430

STANDING COMMITTEE ON PUBLIC ACCOUNTS

Thursday 16 September 1993

The committee met at 1010 in room 151.

UNIVERSITY ACCOUNTABILITY

The Vice-Chair (Ms Dianne Poole): Good morning. I'd like to open up this session of the standing committee on public accounts. Today we are fortunate to have guests who will be reporting on the Task Force on University Accountability. Just to bring members up to date with a bit of the history, in three years, 1988, 1989 and 1990, there was an audit conducted of three universities. I believe they were the University of Toronto, Trent University and the University of Guelph, if I remember correctly. In I think June 1991, the public accounts committee issued a report on the status of the universities and the accountability of universities. Following this, there was a task force created by the universities which looked at the whole issue of accountability. In May of this year, there was a document produced called University Accountability: A Strengthened Framework, the report of the Task Force on University Accountability.

We have witnesses today from the Ministry of Education and Training and from the task force who will be commenting on their report and the progress that had been made. Then we will have comments from the auditor and we will open up for questions and answers from the various caucuses.

I would like to call on Dr Charles Pascal. Welcome to the committee, Dr Pascal. It takes me back to the select committee on education, when we had numerous opportunities to chat.

Dr Charles Pascal: I do recall that important occasion for a dialogue on education. I am very pleased to be here. I will make a few preliminary remarks and then I think it's appropriate for the Chair then to recognize Mr Broadhurst, who chaired the task force. With Bill Broadhurst is Dan Lang, who is a member of Mr Broadhurst's task force, and with me also from the ministry is Gerry McIntyre.

I would say at the outset that I'm pleased to be here because of the importance of the topic and the issues that flow from that topic. I'm pleased to be here because this issue and its heightened importance and clarity flow in large part from the Provincial Auditor and those inspection audits and the manner in which your committee picked up on the arising issues. I will say, autobiographically and ironically, that I was a member of the Trent board when those inspection audits were done, and Mr Peters knows my private opinion about the importance of the audit function and accountability in universities.

The task force report has been received by the minister and is now out for consultation, a consultation that will be thorough but timely, and he hopes to receive feedback from all the constituent groups on the report no later than the end of October. I believe, as deputy minister, that the report is a good basis for discussing the issues that you have posed in the past and for addressing some problems. In addition to seeking feedback from the report that Mr Broadhurst will introduce and describe, he is also going to, in the very near future, announce what the government is going to do about governance of universities, in particular the membership of the boards of governors, an activity and dialogue that was begun by his predecessor, Richard Allen. The minister will, in responding to issues of governance, deal with some of the issues arising from Mr Broadhurst's report.

In addition, the minister has recently received advice from the Ontario Council on University Affairs about undergraduate program reviews. In the university system, as you know, it has only been the graduate programs that have had some kind of peer accountability check through the Ontario Council on Graduate Studies. The minister has, again, received and has tabled for discussion in the communities the issue of undergraduate education and quality assurance. That also has got to be seen as a part of the discussion, not just today but beyond.

I will say, in closing, just two final things. In reading and digesting the report, I do believe that it is a good basis for discussion. I think there are some serious and important issues around implementation which need clarity, which include the role of the board versus the administration of universities, the importance of performance indicators, and Mr Lang, as the leader of Mr Broadhurst's committee, may wish to address that and how important it is, looking at accountability in the university system, to look at outcome indicators, performance indicators and to do something meaningful. The membership and the manner in which the external advisory committee is implemented is a matter of importance. If it's implemented in a tough-minded fashion, it has great potential. Of course, the role of the ministry is something that the minister will want to address.

In closing my opening remarks, it is my hope that you will permit us to come back to this committee once the minister has received feedback on the report, the advice from OCUA on undergraduate program review, so that we can continue, in the spirit of accountability, closing the loop with respect to very specific action

items that arise from the report and that the minister and his government wish to pursue and implement in good faith for the people of Ontario. Thank you.

The Vice-Chair: Thank you, Dr Pascal. I was remiss in not identifying you as the Deputy Minister of Education and Training, which is a slightly different role than in which we last met. Congratulations in your role in that area. I'm sure you have much to contribute.

Mr Broadhurst, or is it Dr Broadhurst?

Mr William Broadhurst: Mister.

The Vice-Chair: If you would just like to identify yourself for Hansard and then continue your presentation.

Mr Broadhurst: I am William Broadhurst, chairman of the Task Force on University Accountability, and retired a couple of years ago as chairman of Price Waterhouse in Canada.

I would mention the reason we've asked Dr Lang to be with us today is that he chaired the subcommittee which reported on performance indicators, which is a subject of great interest to you. Their report is appended to the task force's report.

Madam Chair and members of the committee, thank you for the opportunity to appear before you today to discuss the final report of the Task Force on University Accountability, which it was my privilege to chair. Before proceeding to describe the recommendations in the report, permit me to reflect briefly on the events which led to the task force being commissioned in the first place. I will enlarge a little on the opening remarks of the chair.

Over the period from 1988 to 1990, the Provincial Auditor conducted inspection audits at three Ontario universities: Trent, Guelph and Toronto. These audits were designed to assess the adequacy of the university's accounting records and related procedures. The auditor concluded these audits with the statement that, "Accountability for the significant amount of funding provided to Ontario's universities remains inadequate."

Following its review of the 1988, 1989 and 1990 annual reports of the Provincial Auditor, the standing committee on public accounts made several recommendations based on the key recommendations of the Provincial Auditor. These include: providing the Provincial Auditor with the authority to conduct value-for-money audits of universities; developing administrative guidelines for enhanced management accountability in universities; and clarifying the accountability relationships between the universities and the ministry.

In response to these recommendations in particular, the Task Force on University Accountability was established by the Honourable Richard Allen in November 1991 to develop recommendations for ensuring the accountability of Ontario's universities to the government and to the public. The task force membership was broadly representative of the university community and included representatives of the provincial student, faculty and staff associations. The task force met from November 1991 to May 1993, when it delivered its final report to the minister.

1020

The text and recommendations of the final report reflect the dual purpose with which the task force conducted its work: first, the need to develop an accountability framework that will assure the Provincial Auditor and your committee that appropriate accountability mechanisms can be implemented between the universities and the ministry; and second, the need to address the concerns of the government, the public, including parents, donors and community groups, students, faculty and staff that the universities are providing academic programs of high quality and other services in a manner which makes efficient use of resources and which reflects responsiveness to the educational needs of the people and communities the universities serve.

The recommendations of the task force reflect the following approach to an accountability framework: First, they acknowledge that the universities have a variety of accountability mechanisms in place, but these need to be strengthened within a more formalized institutional accountability framework and more coherently presented to the government and to the public. Second, there's a need to develop further mechanisms. Specific recommendations are made as to the areas which these new mechanisms should address, based on the task force's views of the necessary components of a strengthened accountability framework.

In its report, the task force does not attempt to identify which universities have adequate systems in place or to identify best practices. Rather, the onus is left with the individual universities to assess where they stand in relation to the degree of accountability described in the individual recommendations.

Responsibility for ensuring that adequate accountability systems are in place and functioning properly rests with the governing board or council of each university. The composition, functions and support systems of the boards may need to be revisited in order to ensure that the boards can carry out their increased accountability responsibilities.

Among the responsibilities of each governing board is the selection of performance indicators which the university should adopt to measure how well it is fulfilling its particular mission. In order to ensure that the governing boards are properly fulfilling their accountability functions, it is recommended that the government establish an independent monitoring agency charged with the responsibility for reviewing and assessing each university's accountability system.

The issue of the quality of undergraduate programs is

being addressed by the Ontario Council on University Affairs, as already mentioned by the deputy minister, while the quality of graduate programs is addressed through the program reviews conducted by the Ontario Council on Graduate Studies. The task force report therefore does not address directly the issue of program quality, but it does recommend that the governing board of each institution should routinely receive the reports on the results of program quality reviews, including the identification of steps to be taken to remedy any deficiencies reported. Since program quality is an integral part of accountability, I am sure that the minister will wish to consider the advice of OCUA on program reviews and the recommendations of the task force together in the development of the accountability framework that ultimately will be put in place for the university system.

The report's 47 recommendations fall into three main categories: those dealing with the governing board, those dealing with institutional accountability mechanisms and systems and those dealing with the proposed new external monitoring agency. Eleven of these recommendations are directed specifically to the ministry or government, eight of which pertain to the establishment and conduct of the external monitoring agency. The remainder are directed to the institutions, the governing boards or to the Council of Ontario Universities and its affiliate committees.

Recommendations 1 through 23 pertain to the governing body of the institution: its composition, function, support and orientation systems, method of appointment, terms of office, methods of conducting business, liability of members, conflict of interest and the relationships with federated and affiliated institutions. Through these recommendations, the task force outlines what it believes to be the essential characteristics of a governing body that would be responsible for undertaking an increased role in the oversight of the accountability framework of the institution.

Recommendations 2 through 13 were formulated in response to the minister's letter of October 15, 1992, and the ministry's draft guidelines for enhancing the representativeness of governing boards. These were forwarded to him separately on the date of December 18, 1992.

Recommendations 24 through 39 comprise the task force thinking on the type of institutional accountability systems and framework that should be established. As such, they represent the substance of the framework that the ministry and the Provincial Auditor will have to consider in determining the characteristics of an appropriate accountability relationship between the institutions and the ministry. The recommendations cover such issues as mission statements, academic and financial plans, performance indicators, admission policies, undergraduate and graduate program reviews, terms and conditions of academic appointments including tenure and sabbatical policies, budget development and reporting, fund accounting, capital budgets and deferred maintenance costs, inventory controls, research policies, inspection audits by the Provincial Auditor, staff relations and community relations.

Recommendations 40 through 47 pertain to the external monitoring agency which the task force believes is essential in order to give the government, the public and the Provincial Auditor assurance that the governing boards are fulfilling their responsibility for ensuring that accountability systems recommended in the report are in place and functioning effectively in the institutions. This agency would monitor institutional accountability performance by means of a desk review of the biannual reports from institutions as well as by regular onsite reviews employing the peer review model and conducted on a seven-year cycle. Its reports would be public and would identify weaknesses in institutional accountability procedures and performance that would encourage improvements.

The task force envisions the monitoring agency as an independent committee within OCUA, similar in many respects to the academic advisory committee of OCUA. The report reflects the task force's assumption that such a committee would have more credibility and influence within the university community than if the monitoring function were to be situated entirely within the ministry itself.

The task force acknowledges that the adoption of its recommendations will increase the already significant demands made on members of university governing boards, who serve as part-time, unpaid volunteers. However, we are confident that these recommendations are achievable. It is the unanimous view of the members of the task force that the improvements embodied in our recommendation are both necessary and sufficient to provide proper accountability of Ontario universities for the public funding they receive and to meet the legitimate expectations as to accountability by other stakeholders.

The Vice-Chair: Do any of the other members of the task force wish to comment before we go to questions and answers? Thank you for your presentation. I'll call on the Provincial Auditor now to make comments prior to going into rotation.

Mr Erik Peters: We gratefully acknowledge that we met with the chair of the Task Force on University Accountability and with the entire task force. They listened to our views and they quoted us in the report. We also had the opportunity to briefly discuss the report with the deputy minister, Dr Charles Pascal, and with Gerry McIntyre, who was an observer on the task force on behalf of the ministry.

The task force report recommendations about institutional accountability are recommendations which we

endorse. I think tremendous work has been done in this area.

However, in the final analysis, the task force did not advocate a legislated accountability framework but did conclude that the accountability responsibilities of the ministry for the universities need to be further clarified and strengthened and placed in a proper legislative framework. I think we consider that very important.

With regard to the audit, the task force stated that the Provincial Auditor will continue to have the authority to conduct inspection audits of the universities and has recommended that the scope of these audits be somewhat expanded. This expansion only permits us to audit provincial funds through the university's accounting system into funds other than the operating fund. But—and this is really quite a big but—the task force did not endorse the committee's recommendation to permit the provincial auditor to conduct value-for-money audits in Ontario universities.

1030

In view of the lack of this endorsement for value-for-money audits by my office, we would expect as a minimum that accountability reports by the institutions to the accountability review committee, ARC, which was established, and by the ARC to the minister and to the Council of Ontario Universities include value-for-money assessments along the lines outlined in the Audit Act, especially to deal with outcomes and results, that is, the Audit Act currently talks about measuring and reporting effectiveness, and I believe a lot of work has been done on performance indicators, according to the report.

Since the reports of the monitoring body would be available to the Office of the Provincial Auditor and to your committee, we reserve the right to come forward to this committee. Based on the quality of the reports and their content, we may wish to make recommendations to the committee to authorize value-for-money audits under section 17 of the Audit Act, the section that, I just want to reiterate very quickly, empowers this committee to authorize special assignments.

We note that this may give the public accounts committee and my office more rights of access to information than is presently available to the ministry. This puts the ministry, in our view, into a somewhat unacceptable position.

I would like to emphasize the importance, again, of the task force note that the accountability responsibility of the ministry for universities needs to be further clarified and strengthened and placed in a proper legislative framework. That concludes my comments.

The Vice-Chair: Thank you, Auditor, for your comments. We'll now go to rotation. We'll start with a 15-minute question and answer period and with the official opposition.

Mr Robert V. Callahan (Brampton South): Just to sort of give some framework to the questions I'm about to ask you, I look at the report, and value-for-money auditing—I'm reading from the report at page 25—is "characterized by its focus on the three Es: economy, efficiency and effectiveness." The reason I raise that as the framework is because when we had our original hearings back some time ago, we were really looking at perhaps not as broad a field as I'm going to question you on right now.

Also, on page 24 it says, "The board of governors is deemed to be responsible for ensuring the quality of education and training to students, and for the good management of college operations."

With that as the framework or the background, the questions I'm going to ask are involved in it, but they're a little broader than that.

First of all, I'd like to get a handle on the number of foreign students who attend our colleges and universities in this province. Now, you may ask why I want to know that. The reason I want to know that is because it's come to my attention that there are, at least in the ability to qualify for teaching certificates, reams and reams of young people in this province who are attending universities in the United States, not by desire but by absolute necessity because there are no placements in Ontario. So I want to know how many foreign students we are accommodating. I don't know whether you can give me that off the top of your head, Mr Pascal, but I'd certainly ask that you undertake to perhaps get that over the lunch break, if you can, so that I can get an answer to that question.

The other thing is that we're having difficulty, obviously. We have concerns of students about the cost of their tuition here in both the colleges and universities in this province and perhaps in Canada. It's come to my attention that the experience in the United States is that what they do is, anybody—anybody; it doesn't matter if they're John D. Rockefeller's son—can get a loan from I think it's the federal government and they in fact then pay it back when they finish their university experience. The net result is that US universities charge a great deal more than we do and nobody is denied access because they can get into the universities on the basis of these loans. They're considered, I guess, to be a good risk because they're going on to higher education and they will eventually get out and pay it back. But we have a practice, at least—and I may be wrong—in Ontario and perhaps in Canada, that you have to meet certain criteria.

Mr Drummond White (Durham Centre): You may be wrong.

Mr Callahan: We're hearing rumblings from the other side. It must be indigestion; I'm not sure.

You have to meet certain criteria to be able to obtain

financial assistance. I think some of it is you have to not be living at home. If you've got support at home, that all comes into play in terms of whether you get assistance. I think that's blocked some individuals from getting into university.

I think there's also an important feature, and I raised this I think on one previous occasion. My experience when I was in university—and that's a long time ago—was that I went to the University of Toronto, and in some of our classes, the classroom attendance was so great that if you sat in the back of the lecture hall, you were lucky if you could see the professor. I understand it's even more difficult now in that they're actually putting them in other rooms and using television to accommodate these students.

Yet on the other side of the coin, I met with some community college teachers. I just happened to meet them on Bay Street one day while they were on strike. Their complaints were that classes were being cancelled in community colleges because there were not sufficient numbers of students to occupy those classes.

Now, it seems to me that we have these institutions, they generate a great deal of capital expenditure, they generate an ongoing expense of attracting qualified people to teach in these places, and there should be a much better mix and match. In fact I think there's some benefit to mixing and matching in this regard not only in terms of putting some of those overloads that are in the universities and allowing them to fill programs at the community colleges, and thereby maintain these jobs and perhaps maintain the quality of the community college, but at the same time it gives these people some practical experience.

The biggest problem I've got is kids go to university today—it was the in thing to do and it still is—and when they get out of the university, they haven't got any experience for anything. They send a résumé to an employer and it says: "Well, I cut grass during the summer. I worked on construction during this summer. I worked in" whatever menial tasks. An employer looks at that résumé and he or she has no way of knowing whether this person is going to be a competent or needed employee.

I think the importance of mixing and matching and perhaps even extending, at the option of the student, I guess, the length of time they want to spend in school, allowing them to transfer credits back and forth freely—I understand this is in the mill, and I'm very pleased to hear that, but I think there has to be far more encouragement to do it, because in the past there was a bit of snootiness about attending university versus a community college and I think we have to get out of that syndrome.

The other thing—I'm going to ask you at the end, believe it or not, to comment on this at some time, but I'd like to get my questions out.

The Vice-Chair: Mr Callahan, I just did want to reiterate that the purpose of today's hearings is to look at the Task Force on University Accountability, and we are hoping to restrict our questions to that.

Mr Callahan: It actually is, Madam Chair.

The Vice-Chair: Oh, you're getting there any moment.

Mr Callahan: No, no. I opened up the framework, and the report actually is reporting on value-for-money audit. In my view, that's what value for money is. If we're not moving in those directions, we're not really getting value for money. I'd like to go on.

The other thing too that concerns me is the factor that we seem to have moved to an attitude that marks are the key criteria for getting into university. I would hope that's changing too, because I don't think that's value for money either. I think we're keeping young people out of universities and out of community colleges simply because they don't have the 98% or the 80% or whatever is required. That's unfair to the rest of the young people of this province.

1040

Finally, I want to get to the question of the learning disabled. I have a very severe concern over the experience I've had in terms of contacting universities in this province. They purport to have programs, and in fact the learning disabled are, by right, entitled to special treatment, I think under the Human Rights Code. Those processes are not being provided. If they are, I'd like to know that, Dr Pascal, because my experience has been that they're not. They say they are.

They don't provide sufficient spaces. More importantly, they don't provide the very special, individualized training or access to communication between a guidance counsellor and these people. Kids with learning disabilities, if they can get into university, should be able to get in with a little less emphasis on the marks and should also have access, particularly in a big university, to that extra special TLC that's required to allow them to achieve. They are in fact very bright people who just need a little bit of extra help, and I don't think that's being provided either.

I look at one university, Carleton—I don't like to single out one university, but it's such a large university that I'm sure a young person with a learning disability in a place like that would disappear. Trent University is a bit better because it's smaller.

Those are my comments on value for money, and I do believe that they tie in with this report. I'll finish the way I started. Value-for-money auditing is the 3Es: economy, efficiency and effectiveness. I submit that all of those things that I've just raised go to the question of whether or not we are getting value for money in our universities and whether we should be looking at perhaps approaching these topics, if they haven't already

been approached, in a different way.

Perhaps they'd like to comment, if there's any time left. I don't know if there is.

The Vice-Chair: Actually, Mr Callahan, I hate to tell you this, but you've got about another six minutes left, so perhaps we'd have a response.

Mr Callahan: I'd like to hear some comments. That's fine.

The Vice-Chair: Gentlemen, you might be wise to use up all the time.

Mrs Dianne Cunningham (London North): Says a colleague.

Dr Pascal: Madam Chair, as long as you don't rule me out of order for not sticking to the task force report on university accountability, I will directly answer Mr Callahan's questions. I'll try to do it in three and a half minutes because Mr Broadhurst may wish to comment on value for money. I'm sure that will be part of the discussion this morning.

I'm sorry that I can't provide specific answers to some of your questions, because I didn't anticipate, as I might have, the breadth of some of the questions. I will get information for you on the participation rates of foreign students in colleges and universities by this afternoon. That's not difficult to cull from our data.

Tuition policy is currently under review, and leadership, as you have probably read in the newspaper, is by the minister. The questions you posed are under active policy deliberation, as is the ongoing evaluation of the student support system, both at the provincial level and in relation to the federal program.

With respect to enrolments in colleges, without wanting to disagree with your perception, enrolments in colleges have been rising, have been quite fulsome, and the colleges as well are bursting. This year, the college new enrolment is up over universities, and the stresses and strains of enrolment are facing both institutions.

The good news is, with respect to your vision of a more seamless opportunity for movement between the systems, as a result of Vision 2000 and some work done by the Council of Ontario Universities with the council of presidents on the college side, there have been tremendous strides made in the last three or four years around interinstitutional mobility, both within the university system and from college to university and university to college. There's been an increasing percentage of university graduates who are mixing and matching upon graduation and going to colleges, so that creates some interesting policy questions.

So I think the hopes you have—it's implicit in your question about the mixing and matching, as you put it—are coming along extremely well. We're not there as yet. We also have to review Mr Pitman's report on advanced training, which also has recommendations about how students can mix and match the system in terms of getting advanced training required for our economic health and wellbeing for the province.

With respect to grades and their predictive validity in terms of success and the usefulness of grades, my hope is that Dr Lang and the work that's being done within the university context will look at performance indicators not just in terms of the importance of outcomes, but performance indicators can also relate input variables, input information, process—that is, teachers in relation to certain numbers of students—and what are you getting and what are you coming to university or college with in terms of grades or other types of potential indicators of success and how does that relate to some well-defined set of performance indicators? Those are all good questions.

Your final question about the learning disabled, I can't give you tons of qualitative and quantitative information in response to your question because I didn't anticipate it, and my colleagues who could are not here. My impression, after having been in the ministry for nine months now, is that many of the colleges and the universities are dealing with the important legacy of Bill 82 and are trying to accommodate students with a variety of presenting challenges. I think your hope in this regard is a very important one.

I hope this is an acceptable preliminary response. Again, we'll get that specific information about foreign student participation after lunch.

Mr Callahan: Thank you.

Mr Broadhurst: On two aspects of value for money in referring to both Mr Callahan's question and the comments made by the Provincial Auditor, I would like to direct the attention of the committee and in fact read into the record two paragraphs from the report, because this is a subject that receives a lot of attention from us and a lot of comment during our consultations around the province. We did visit each university campus and have open consultations with anyone who wished to talk with us, and we met separately with all the provincial bodies: faculty, graduate students, students and so on.

I'm reading from chapter 6, which is the chapter on the external monitoring body of the task force, and I'm reading from section 6.1:

"An agency separate from government would be in keeping with the legal status of Ontario universities as autonomous institutions, not crown agencies." As an aside, that was a distinction recognized in your earlier report and recommendations. "It would also be in keeping with the practice that has evolved covering the relations between universities and government through an intermediate body. The task force accepts the accountability responsibilities of the ministry for the universities' needs to be further clarified and strengthened and placed in a proper legislative framework." That comment has already been alluded to by

Mr Peters. "It also accepts that the Provincial Auditor will continue to have authority to conduct inspection audits of universities, and has recommended that the scope of these audits be somewhat expanded. The proposed new body would report to the minister and to the universities. Its report would be available to the Office of the Provincial Auditor and the standing committee on public accounts."

Skipping over to its procedures a little bit on page 75, one more paragraph, if I may:

"The onsite review process will focus on the effectiveness of the accountability procedures employed by the university and on the effectiveness of the governing body in monitoring these procedures and reporting on the results." As a further aside, in a sense we're putting this responsibility initially in the governing body, and the governing body is a more representative governing body in this report than we may have in some cases at the moment. Secondly, we're setting up a monitoring agency to see that the governing body is doing its job on effectiveness, which is another way of saying, "Is there value for money in the operations of that university?"

To read further in this paragraph: "The process could be coordinated with the proposed OCUA appraisal process for undergraduate programs and with the OCGS graduate program appraisal process. The peer review model would be employed."

Just to mention here, the monitoring agency that we envisage would call on experienced people in various parts of university activity to assist in assessing the effectiveness of the framework in each university. I think the Provincial Auditor would find that he would have to retain somewhat similar kinds of people in any value-for-money audit approach. In a sense, the experts will have to be brought into the play, with particular reference to onsite visits.

"Reviews would be undertaken by a small team of external expert assessors, perhaps four, chaired by a member of the committee. It is suggested that the procedures employed by OCGS in its graduate program appraisal program could serve as the model. A draft report would be provided to the university for comment. The final report would be published."

1050

Keeping in mind that our terms of reference were limited to institutional-level accountability—we were not asked to look at the ministry's accountability; we were asked to see that each institution was accountable—we feel that the mechanism that we're describing here is both compatible with the autonomous nature of universities but also public in the sense that the monitoring body would publish a report which would be available to everyone. Obviously the Provincial Auditor, within whatever terms of reference he is using, would be able to examine the activities of the monitoring body and presumably anything else that he thought was necessary.

The Vice-Chair: The time of the official opposition is up. We will go to the third party and Mrs Cunningham.

Mrs Cunningham: Thank you, Mr Broadhurst, for the work that you've done. I think in this political environment that we live in, it's important that citizens such as yourself bring your expertise. I want you to know that we're grateful for it. It's a very inclusive report. You said yourself, though, that your terms of reference were somewhat limited, and perhaps that's why the questioning will probably move in this direction.

The public accounts committee in 1991 recommended the value-for-money audits. The public of Ontario likes that terminology. I'm not sure they know what it means, but it sounds good. "Value for money" is a household word. The inspection audits that you've recommended are somewhat different, and I wonder if you'd take a few moments to explain to us, in your view, what the difference really is and what a value-for-money audit would mean to any university, if it's even possible.

Mr Broadhurst: First, the inspection audit is what I might broadly call a financial audit, which is the audit that we're generally familiar with in the public sector for public companies and private companies and all kinds of institutions. It really attests to the fact that the various financial statements properly present the situations of the enterprise.

There were suggestions made at the time of the earlier hearings that even inspection or financial audits were curtailed because certain funds moving from the government to the operating fund of the university which were then within the purview of the Provincial Auditor were subsequently transferred to some other fund in the university, and there seemed to be a question that the auditor could then go and look at that other fund. We're suggesting, and I think there's reasonable agreement with this in the system, that the other fund should also be able to be examined by the Provincial Auditor. That takes care of that one problem, which is the perhaps narrower issue of inspection audits.

Value for money is a easy thing to say and is almost impossible to define. We've attempted in the report, in meeting with both the comprehensive audit foundation and a couple of meetings with Mr Peters's group, including the acting Provincial Auditor in the earlier days of the task force, to come to grips with this. We have a section in the report that may bear some reading on the subject, two or three pages: 25, 26, 27 and 28.

Value for money really requires a framework within the institution. The institution must decide how it's going to assess its own effectiveness. You can't do a

value-for-money audit unless the institution itself has got a framework. Now, we're suggesting that the institutions create the framework. If the Provincial Auditor today went into some of the universities to look at the efficiency framework, he wouldn't find it, and therefore it would be rather difficult to audit it.

I think there is some concern that someone coming from outside may bring different measurements to the university system that perhaps aren't applicable, measurements from other ways of doing business and that. The feeling of the task force is that it would be much better if the university system developed its own ways of measuring.

Now, that's not to say that what they're doing now is satisfactory. There's a whole section in here, and Dr Lang has a whole report, on the beginnings of the use of performance indicators. This is a major step forward. This is early days in this system and there are mountains of literature around the world on the use of performance indicators but not a lot of practice that we could find.

So what we're saying, starting with Dr Lang's report, is to move into this area on an institution-by-institution basis. We recommend that the boards must decide eventually, presumably on advice, how they wish the effectiveness of their institution to be measured, including the use of performance indicators.

I would say it was our view that on the quality of education, probably the best is the program reviews. There haven't been program reviews of undergraduate programs, and that is why the OCUA has now recommended to the ministry on that subject. There have been good graduate program reviews. We're really putting the sort of value-for-money problem back to the governing bodies which are really representatives, in the broadest sense, of the university community and the public.

Mrs Cunningham: Would I be correct, when I'm asked this question, in stating that the universities don't have the efficiency frameworks right now and therefore, until they get them, along with their, I think you referred to performance appraisal systems of some type, that it wouldn't be possible to do a value-for-money audit, that we're premature in that? Is that correct?

Mr Broadhurst: That would be my view and that's the view of the tax force, that until the frameworks are in place the monitoring body can't even get too far off the ground until the universities begin to develop frameworks. What a monitoring body can do is to make sure that the frameworks are being developed. But the measuring against a framework occurs later in the process.

Mrs Cunningham: Would you recommend a deadline for this? This is a very big question in the eyes of the public. You've had the opportunity to speak to people who have frameworks in place. At least around the world somewhere there must be something that you've been able to compare.

Mr Broadhurst: I would just have to offer a personal view, not on anything I've seen. I think you're looking at a four- or five-year time frame before frameworks can be developed, a monitoring body can begin to get desk reviews going and actually begin with some onsite review. Some universities are further ahead in this than others and some are doing—

Mrs Cunningham: Yes, especially within certain faculties.

Mr Broadhurst: Yes. And some are doing on their own some sort of undergraduate program reviews. They've developed these systems themselves because they see the need. So we're not starting from the same position in each university. I would see the monitoring body as trying to do some onsite reviews, perhaps no later than three years from now, based on its assessment of where it would productive to do so, in other words, where the framework is the furthest advanced. But we're not looking at short-term solutions in this report.

Mrs Cunningham: So you're saying that you really didn't see another jurisdiction within North America where we could take a look at its framework and modify it for Ontario within the universities in Ontario? There wasn't anything that you would recommend?

Mr Broadhurst: No. Our research was not as extensive as we might have liked it, given our rather limited resources, but we did review, we did have visitors from the United States, Dr Berdahl, who might be remembered from the Duff-Berdahl report of days gone by. He spent a day with the committee on developments in the United States in this area. We did look at some alternative systems and we felt that there was nothing that could be sort of imported into Ontario that we felt would do the job.

Mr David Tilson (Dufferin-Peel): The role of the Provincial Auditor, as you see it then, would be in fact taken over or a larger role would be played by the monitoring agent. Is that what you're telling us?

Mr Broadhurst: We would see the monitoring body being responsible for the initial responsibility for the efficiency within the university system. As an auditor I will certainly never tell another auditor what to do, especially one I used to be a colleague of many years ago. We would see the Provincial Auditor having to, first of all, satisfy himself on the activities of the monitoring body. In other words, he would review what they are doing. He would then have to make a judgement on how that satisfied what he felt was necessary and presumably either seek authority or, if he already had it, do whatever additional steps were necessary.

Mr Tilson: The problem I see, and if I understand what you are saying, the monitoring agent would be appointed by the ministry.

Mr Broadhurst: Yes, sir.

Mr Tilson: It would report to the colleges and it would report to the ministry.

Mr Broadhurst: Publicly, yes, sir.

1100

Mr Tilson: The question as I see it, of course, the purpose of the Provincial Auditor is to look at everyone, including the ministry. In other words, it gets back to who's watching the watchers, and that's why I'm questioning—and it may well be that I haven't properly understood what you're saying. The monitoring agent in fact will be precluding the Provincial Auditor from doing the thorough job that it's accustomed to doing. In other words, you're saying, if I understand what you're saying, that the monitoring agency or the monitoring—I'm using the wrong terminology perhaps—body would in fact be doing some of the auditing that is normally done by the Provincial Auditor.

Mr Broadhurst: It would be doing some of the steps that you would normally expect would be undertaken by the Provincial Auditor in a value-for-money system.

Mr Tilson: My problem with that is that the monitoring body is answerable to the ministry. The monitoring body is not answerable, for example, to the province of Ontario or this committee or the taxpayer.

Mr Kimble Sutherland (Oxford): If it's accountable to the ministry, it's accountable to the province.

Mr Tilson: I'm sorry, but one of the reasons why we have the Provincial Auditor is to look at the workings of the ministry and seeing if the ministry is performing its duties as it should be.

Mr Broadhurst: Could I give you an example from the private sector? For example, in an audit function we have in many cases what we call an internal auditor and an external auditor. The internal auditor reports to management, the external auditor—now, when I as an external auditor come in to do an audit of a corporation, I want to see what work the internal auditor has done already and make an assessment on how much of that I can rely upon so that I can reduce the amount of work I have to do as an external auditor.

For example, if we have a whole matter of plant payrolls and the internal auditor has done a lot of work on plant payrolls, as an external auditor I can come in and go over what the internal auditor did and as a result of that I may say, "I don't have to do any more on plant payrolls."

The monitoring body would be the first run at this thing, and it seems to me that in the framework between the ministry and the universities, the monitoring body is an essential part of that. The Provincial Auditor, when this is fully functioning or at least partly functioning, could come in and look at the monitoring body and its activities and either say: "I don't like it, or it's not doing enough; I've got to do more, or I think it's doing a great job and I'm not going to have to do very much with this. My resources can be spent on some other areas." That's the sort of direction we're looking at.

Mr Tilson: I guess then we get back to, the question that was asked by the Provincial Auditor is for clarification—my time may have run out, but in due course; how much time do I have?

The Vice-Chair: You've got about another minute, almost two. Go for it.

Mr Tilson: The question is of course the question that was asked by the Provincial Auditor, that there needs to be clarification here as to the accountability of the minister, because quite frankly I'm getting back to the question: If the monitoring body is reporting to the ministry, who's going to watch the ministry? It's fine to say that the Provincial Auditor's going to come in and may disregard everything that the monitoring body has done, which sounds like double duplication, if you see what I mean—

Mr Tim Murphy (St George-St David): The department of redundancy department.

Mr Tilson: Yes. In brief, my question is clarification on the accountability of the ministry.

Mr Broadhurst: I think perhaps I should turn it over to the deputy minister because, as I said earlier, our terms of reference precluded going that far. I think I'm glad they did, because it did allow us to concentrate on this aspect of the problem and I think we have made some headway on this aspect of the problem, but the deputy perhaps could answer the broader question.

Dr Pascal: I can't at this point give a definitive answer until the minister has reviewed both the report and, as importantly, the input on the report, and the questions and discussions today are not unimportant in that regard.

I join the Provincial Auditor as well in wondering aloud about the importance of the ministry to be a very clear and understood participant and have a clear role with respect to an accountability framework. I'm sympathetic to that part of your question. It could take various forms, and again I don't want to hypothesize today about how that might play out. But in interpreting what Mr Broadhurst has said and what the report conveys, what they are recommending to us and to the people of Ontario is a very major strengthening of the governing body with respect to reviewing, under a framework which has performance indicators, the activities both from an efficiency and an effectiveness point of view.

Boards of governors of this province in the university sector do not regularly, at least the two that I have sat on, review the graduate reviews, the ones that are in place. It's a good process; it's a tough process; it's a good quality assurance process. But having sat on two

governing bodies I don't recall, as a governor, having ever seen those.

With respect to the issue of then creating an external body to quality-assure new strength and quality assurance mechanisms within universities, I think it's a legitimate thing for the task force to have recommended. The Provincial Auditor's role in response to how that works and the ministry's role, I agree that simply has to be discussed and clarified, and again I agree with the intent of your question.

When we look at the issues of value for money, it's sometimes useful to think of an example that at least gives us some empathy with why our friends in the universities are uncomfortable with a traditional approach, and since the University of Bologna was found in the mid-1100s, university autonomy and academic freedom are very precious commodities and protected rather vigorously.

Mr Tilson: They weren't funded by the government at that time, though.

Dr Pascal: I don't know; I wasn't there.

Mr Tilson: I know that, at least I hope not or we're in trouble.

Dr Pascal: I'm in fairly good shape. If you look at something like the sabbatical, I think it's legitimate for an accountability framework set in motion by this process and a board of governors to ask a sabbaticant upon her return, "How well did you do what you said you were going to do?" In many universities, a sabbatical and what you did is what you're going to do, and the sabbatical is something that has to be an academic peer decision in the name of academic freedom. I'm quite sympathetic to that perspective from the university system but, "Did you do what you said you were going to do?" is something I think a board and some kind of mechanism have a right to assure took place.

The worry from the university side would be if you have a value-for-money audit that doesn't understand that raising questions about whether that was a useful thing to research; that gets into a very tricky business with respect to a fairly important foundation characteristic of the university system. So it's a very difficult issue and I'm trying not to defend the report, but simply to try to explain some of the difficulties around a value-for-money audit done in the traditional way and why the task force I think is trying to come up with something that parallels it but does it in a way that's straddling academic freedom and institutional autonomy and your quite important reinforcement of the public's right to know what's going on within the system.

The Vice-Chair: Thank you, Dr Pascal. We'll go to the government caucus. We have the parliamentary assistant, Mr Martin, Mr O'Connor, Mr Sutherland and Mr White.

Mr Tony Martin (Sault Ste Marie): I want to certainly thank you for all the work that has gone into the report and for a document that will certainly be very helpful.

I guess my question and comments are around the whole question of accountability in the first place, why it isn't already there in the system and why public bodies, such as boards of directors to colleges and universities, don't do that kind of job or make sure that it's done and that the kind of information that is required so that communities and boards of directors who represent communities can in fact feel comfortable and secure that there is accountability, that the university or college is doing the job it was mandated to do and that all of the money is being spent properly and appropriately.

I guess for me it raises concerns that I've seen in other government bureaucracies over my years of community work where, as soon as there's a question of any kind of accountability or ability to respond and do the job that it is mandated for, automatically we set up another body that costs as much money again as sometimes it costs to offer the service in the first place. So we're recommending today another body that would cost us up to $500,000 a year when in fact we already have in place, it seems to me, the organizations necessary to assure that there is accountability.

Maybe it's a matter of the folks on the committee or boards of directors not understanding the language of reporting that goes on; I'm not sure. I know that in my own community the economic development corporation just recently, in an attempt to make sure that everybody understood the goings-on of that organization, put out a report in what it called plain language, where instead of credits and debits and all that kind of stuff, the headings were "This is How Much Money We Have," "This is How Much Money We Spent," "This is How Much Money is Left," so that people off the street who were serving on these boards understood what was going down.

1110

I guess what I would like to ask, particularly in light of the Stephen Lewis report, is, is there anything being done to have the boards of directors of colleges and universities more adequately reflect the communities in which they are placed, so that those people could ask questions of accountability and bring some accountability to the whole issue?

In light of the more recent announcement by the university presidents, I believe, re the increase that they saw appropriate in tuition fees, has there been any move at all to bring more students into those bodies, so that they could ask the kind of questions that students often ask, that we who are in positions of responsibility often feel confronted by, and could perform, I think, a very valuable job there.

I guess the questions I'm asking you are, has any

attempt been made to implement some of the Stephen Lewis recommendations and to bring more people on to boards of directors of colleges and universities to more adequately reflect the communities in which they live and an attempt to bring students on board around some of the very important questions that need to be asked and answered re this whole question of accountability and how we offer services to college and university students?

Dr Pascal: First of all, the provision of transparent and accessible information about how the institutions are doing anyway is absolutely essential, and I think the task force report does a very good job reinforcing that. I would agree that any solution to this issue has to have that as a cornerstone for the initiatives and for the reform.

With respect to governance and membership on boards, on the college side the Council of Regents has already in place a process of codetermination. The Council of Regents has the power to appoint anybody it wishes. Under previous governments, the provision of internal governors on college boards was instituted, and there are student governors on college boards as a result of that initiative. The democratization of the colleges in that regard is now—colleges are crown corporations and the manner in which these things can be brought about are obviously culturally different.

On the university side, as I indicated very briefly in my opening remarks, the minister will be making an announcement in the very near future which will bring together, I think—I can't get too specific. My job description precludes me from describing ministerial announcements that may or may not be made in the very near future in a public way. But I have every expectation that the minister will bring together many of the ideas that have arisen in the task force report with Mr Lewis's report and the kind of intent and vision that you have reinforced, Mr Martin. We just have to await the minister making his final decision about that. But I think it will go along a long way to address some of the issues of participation and accountability, in terms of not only the provision of information, but who's there to deal with the information once they received it.

Mr Larry O'Connor (Durham-York): This has been a long process. The audit was initiated many years ago by this committee. Then there was a change in government. We've heard from the universities. It was a couple of years ago at this point, and some of the makeup of this committee in fact has changed several times over in going through this process. I guess the discussions got wide-ranging at times. It certainly has been interesting. I appreciate the work that you've done in bringing together the report you have.

One of the things, if we go back a couple of years, that was discussed and that you've touched on only briefly was the conflict of interest that some of the members of the governing bodies are in, people who do have some say in the process of governing the university bodies and staff. I know that the conflict-of-interest rules that members of the Legislature have are a very public process, something that is open to the public.

It appears, in going through the report, that you'd mentioned that it varied to quite a degree and your recommendation was only that it be reviewed and that the review with these recommendations be passed on. Do you have anything more substantial that you may want to touch on that you haven't touched on in the report?

I know that it's something that was discussed at one point in this committee, a couple of years ago. Unfortunately, time does stretch our thoughts or force them in many different directions, but if we can go back a little bit to where we were at, I think we did have some discussion about that. I appreciate your comments. Maybe you might to want to add to the very brief recommendation that you had on conflict of interest in the report.

Mr Broadhurst: Thank you for that question. It is a very difficult subject. For instance, we link subjects up very quickly. The composition of the board, for example, will include faculty, students and administrative staff. Each of those has a vital interest, and in some cases a financial interest, in certain of the decisions made by the board as a whole.

There are general rules of conflict of interest governing boards of directors in a legal sense about having taken financial benefit of being a director, and these all apply to members of a board. For example, we do have a section in our report on the legal liability of members of the board which we think is a very important section to deal with for the protection of board members, be they internal or external.

Anyway, on conflict of interest in the report there is a very brief recommendation, but there's a page of discussion before that. We felt that it would be improper to completely exclude faculty and staff and students from decisions. For example, we do say that students should be involved in the discussion of the fee question. We do say the staff should be involved in discussion of matters affecting them but not be allowed to vote.

We've given some indications here of the direction of this, because we're trying to keep the governing body representative, because it's set up that way, and allow it to operate with the input of the various constituencies that comprise it and not sort of tie them up in too onerous conflict-of-interest rules, but also, from a visibility point of view, make sure that they make sense to the public if the public would look at them. It seemed to us it was not improper for faculty members to participate in the discussion of anything to do with their remuneration but that they shouldn't vote on it. In the case of students, we felt it wasn't entirely improper that

they be allowed to vote on the issue of fees. They're transient in the institution, they don't have a long-time interest in fees, if you know what I mean. It's two or three more years or maybe even one more year.

We tried to get a sort of middle ground on this conflict of interest, but we did say that what really should be done is that our boards, which in this report are more representative than perhaps some are at the moment, should look at this as one of their early charges and be satisfied that they have an effective conflict-of-interest policy and that everyone on the board is fully familiar with the conflict-of-interest policy.

Mr Sutherland: I have two questions.

(1) I want to pick up on Ms Cunningham's question regarding accountability and value for money in the whole process from the auditor's report. From my sense of the people I've talked to in the university community, the problem is, though, that common ground has not been achieved yet. I guess, in terms of the discussion this morning, I would like to hear some comment. It would seem to me that the end result has to be that the ministry, the universities and the auditor's office all have to have a common ground as to what we're defining as acceptable auditing or acceptable processes, acceptable accountability.

There was certainly a sense that this process wasn't in place when the auditor did conduct the audits in terms of the understanding of the roles of the universities, the understanding of accountability mechanisms and the recognition of universities as autonomous processes. I'd be interested in hearing on whether people agree that's what has to happen, this common ground understanding of accountability from all three sectors.

(2) I'd like to hear more about these performance indicators. I'm really curious how you put a kind of tangible concrete performance indicator out there with something like a university education, particularly more at an undergraduate level, when there are so many different understandings of what the goal is. Is performance the fact that I got my degree? Is performance the fact that I get a job after I get my degree?

1120

Mr Tilson: Don't count on anything.

Mr Sutherland: When I get my degree. I think that's important.

Actually, that brings up a point, though. How are you going to put something tangible on something like a degree with a sense that it's there to enhance me as an individual and my contributions to a society? I'd be interested in hearing more about that as well.

Dr Pascal: First of all, with respect to your comment about the importance for there to be a common ground which is not a watered-down compromise but something which is an exciting response to the challenge that began several years ago, I have to assume that not only will the minister be very anxious to hear from the universities and from the constituent groups within the universities as part of the consultation over the next six weeks but that he will also want to have a very good discussion with the Provincial Auditor. It's one of the reasons why I'm doing a lot of listening today with respect to the issues, because we will report back, obviously, to the minister about the concerns, about the things that are yet to be resolved, about the value-for-money differences of opinion. But the minister, I have every expectation, will meet with the Provincial Auditor prior to making any pronouncements about what he wishes to do with this. This is extremely important.

With respect to the performance indicators, I would like to suggest that I think it is doable. I think that for a couple of hundred years the way in which you framed the question has allowed too many types of agencies and institutions to not worry enough about accountability. As somebody who's worked in the university system, I wouldn't take your question and the preamble as an excuse to continue not dealing with the question. As Mr Broadhurst said earlier, this is a tough thing to do. It's an intelligent thing to do. It is doable. In response to Mrs Cunningham's important question about other jurisdictions, there hasn't been enough done around the world in this regard, but the task force is suggesting that this should be met head on.

In the college system there have been outcome indicators chosen. I don't think they're extensive enough. We're here to talk about the university system around job placement and job placement three to five years down the road, not just immediately upon graduation, and was it in the area for which you were trained or was it a first-cousin occupation etc? We've not done well enough, I think, in that part of the world.

Let me turn it back to Mr Broadhurst, if I may, and then perhaps Dr Lang, who is doing some of the research.

Mr Broadhurst: I think it might be helpful to the committee to hear a bit from Dr Lang on this, but before, I make just two comments. The issue of quality of programs is, in my view, extremely difficult to measure, and that's why we say in the report that while the use of performance indicators can assist in measuring effectiveness—this is in program quality—program reviews are likely to prove to be much better measures of how well universities are fulfilling their missions, so that the quality of your teaching and all that, it's hard to get that into indicators.

Secondly, I would note that Stuart Smith, in his report of the Commission of Inquiry on Canadian University Education, also touched on this subject of performance indicators, looking at some of the outcome,

this business of perhaps doing surveys of employers and graduates four years out or six years out, all these kinds of things. Looking at all that, our task force asked a committee of the Council of Ontario Universities which was in existence and chaired by a member of our task force, Dr Lang, to move this subject forward for us. Dr Lang has presented a report on the subject to the task force. The entire report from Dr Lang's committee is appended to our report and it might be appropriate for Dr Lang to say a few words on his study.

The Vice-Chair: Yes. Technically, the government caucus is out of time, but I think Dr Lang's testimony's extremely important. Would you like to make some comments, Dr Lang?

Dr D.W. Lang: I'll try and comment. A number of persons have spoken about the performance indicators, so I wouldn't necessarily respond to the question as you put it. Given the time, I'll just make some highlight comments.

The first is that an indicator is not a statistic. I'm not saying that as some sort of parsing Webster's dictionary. There are a lot of statistics and there always have been. In terms of universities making statistics available, that's not new. In fact, the Council of Ontario Universities assembles reports on all sorts of things every year and has been doing it for 15 or 20 years.

Our task was, first, to identify statistics that we thought were reliable and then, second—and here's where I think you shift a bit from a statistic to an indicator—to say, "What statistics do you put together to indicate something about the performance of an institution?" That's where this begins to get pretty complicated. A part of the complication is what Bill Broadhurst was getting at a couple of moments ago.

There are some activities that, even though you have statistics about them, simply cannot be intelligently measured in a numerical way. An example would be something like the quality of teaching. I wouldn't suggest, nor does our report suggest, that there ought not to be some way of holding a university accountable for the quality of teaching, but you have to look at other processes for doing that; for example, student evaluations. I think a student would be dismayed and surprised if he or she were asked to evaluate the quality of instruction on some kind of numerical scale. Students want to say more than 8.5 out of 10 or something like that.

In our work, the first thing we tried to do was identify those activities where an indicator would be meaningful and would in fact tell you something that you wanted to know and to set aside—by "set aside" I do not mean "disregard." Our advice to the task force was, "You should find some other way of evaluating these activities." We then applied a number of tests. I think some of these, given some comments that people have made today, are important.

The first test was relevance. Is a particular indicator relevant enough to represent whatever you say it's doing? I'll give you an example of a statistic that's always been around and is quite commonly cited. It might have had something to do with the point I believe Mr Callahan was making about whether classes were crowded or not in colleges and universities. Our committee would argue that a staff-student ratio, although it's a very accessible indicator, doesn't really tell you much at all. For example, it doesn't really tell you about instructional workload. It doesn't tell you how much work faculty are doing in either a college or a university, because it's talking about what's going in one only class.

Second, for certain subjects and certain ways of teaching, class size may tell you something—that is, that a smaller class is more effective and a larger class is less effective—but there are many other areas where it doesn't indicate that at all; for example, any program with a practicum. I guess Dr Frankford's a doctor, right? When you took your medical training I think a large part of it was in clinical settings, where the concept of class size doesn't mean much at all. It doesn't mean much in a studio where architectural students work. It doesn't mean much when students of social work learn how to do case work.

Again, what looks like it's telling you something and can be audited, can be counted, is verifiable, doesn't tell you much at all. That was our first test. Yes, we have a statistic, we have an indicator, but does it tell you what you think it tells you?

1130

Our second test, which I think is important in an audit sense—I don't know if the Provincial Auditor would care to comment on it—was reliability. By that we mean—and we assume that if these recommendations were adopted we're talking about a long-term arrangement—if we calculate a given indicator this year, can that particular calculation be replicated next year and the year after that, and the year after that, and the year after that? If it could not be, we would question its value for the purposes of accountability.

Our report is probably something equivalent to Nyquil. I know that if you took it away and read it, you'd get sort of sleepy along about page 22.

Mr Broadhurst: Or earlier.

Dr Lang: Or earlier, even.

The Vice-Chair: Now there's honesty for you.

Dr Lang: But the reason that we took such pains to define every indicator in detail was so that an auditor—and let's set aside which one it is: an internal auditor, an external auditor, the Provincial Auditor, someone in the ministry—could be confident that if they examined the calculation of that indicator in 1994, examined it again in 1997 and examined it again in 2001, they could

be sure that it meant exactly the same thing.

To be cynical about it, it's an anti-manipulation test, because some indicators, particularly good ones, can get pretty complex, have several different elements. You have only to change one factor a little bit—say, "We did it this way last year. We're going to do it a little bit differently this year"—to produce quite different results. This is one reason, by the way, that institutions are so sceptical about surveys like the Maclean's survey, because you don't really know what they are doing from year to year. This was a very important test in terms of accountability. As I say, that's why the report gets pretty complicated and sort of boring at some points, but we believe that's absolutely critical.

Our third test was accessibility. I know there's been some discussion here about students not being admitted. We're using accessibility in a different way. In a way, it's a kind of value-for-money notion about indicators. It can be very, very difficult to collect all of the data necessary to compute a given indicator every year, so one has to have some sense of, are these data that you can get at on a regular and consistent basis. I think that also ties in with the reliability test. If it's a very difficult and complicated piece of work to even construct an indicator, the possibility of error, even unintentional error, becomes quite great. We wanted to be sure that if our report were adopted, if every university in the province were required to provide these indicators, could they do it on a basis which justified the cost of doing it.

Then finally there is one I hope is important to a committee like this, and that is clarity, can anybody understand it. I know of some indicators where, if I sat down with someone like Bill Broadhurst or Charles Pascal or Gerry McIntyre, maybe after 20 or 30 minutes they would understand how it worked, but I think the elected members of government and the public in general want to be able to understand. You have told me, let's say, that the retention rate for the faculty of arts and science at the University of Toronto is 79%. If I'm a student, a parent or a school counsellor, I want to be confident that what that number is telling me is that if a student starts the program, they have approximately a four-out-of-five probability of finishing it.

Mr White: Who's being retained?

Dr Lang: Yes, that's right. So clarity is important too. We applied those four tests. To come back to what I understood to be the question, "Can it be done?" our answer to that is, yes, it can be done. We do not believe that a reason for not employing these indicators is somehow a matter of practicality or logistics or even cost. We believe that this array of indicators is possible. In our report, we point out that we started with a list of about 80. We did not spend our time adding and adding, and adding and adding, as if the longer the list, the better it was. We took some concern to identify a group of indicators that we thought met all these tests and could be done by every institution in the province.

Our advice to the task force was that while some of these indicators may be more or less relevant to certain institutions and more or less relevant to certain programs within institutions, the governors of each institution should receive the results of every indicator anyway and that it would then be up to the governors to decide which of those indicators were relevant or not. We believe that in the long run that's an important element of accessibility and an important element of what, in the first instance, the previous minister called transparency; that is, helping the public understand what's going on.

The greatest value of indicators is longitudinal. By that, I mean not comparing institution A to institution B, but rather, comparing the performance of institution A this year to how well did it do next year and in the third year did it go up or down, and the fourth year and so on. That's really the ultimate value.

A governor, whether a student or an auditor or whatever—we can set aside the question of membership—can't really be certain that a given indicator that appears to be totally useless today might not in fact be quite important four or five or six years on. New initiatives from the government might come along. Just to take an example, academic programs change, interests of students change, the type of students we have changes. This is why we felt a longer list was better than a shorter list. You have them all, you may use some of them this year and set others aside, you maybe use other ones the next year, but we saw this as a long-term arrangement for accountability in the sense that if this committee were to meet or if the Provincial Auditor were to prepare a report five or six or seven years from now, it's the history of the calculation of these indicators that would be their value, not their value today or at any particular point in time. It would be a very strong way of informing governors.

I've heard that there's some debate about what's the sticking point of accountability. Even though we didn't say it in the report, but now that I understand that's a question for all of you, I would say that it doesn't make a difference. It doesn't make a difference whether it's the governors who are looking after these indicators or whether it's Mr Peters who's looking after these indicators or whether it's the monitoring agency recommended by the task force. Everything that I've said about them would be true regardless of who the recipient is. It could just be some interested person who wants to walk into the office of the board of governors of a university tomorrow and say, "I'd like to look at these." The receiving end of it, I think, is virtually universal. There really is a lot of thought to this.

I guess the final point I would make—and you can check this by looking at the membership of the committee; I work at the University of Toronto—is that two

thirds of the universities in Ontario had persons on this committee, and before our report was given on to the task force, all of the universities vetted it, so we believe that this is doable and this works for a highly specialized institution like Ryerson, an institution like Lakehead with a particular role in northwestern Ontario, an institution like Guelph with programs in agriculture and veterinary science that no one else has, and an institution like the University of Toronto. There was kind of a reality test, if you want to put it that way, that we did as we were wrapping up our report to the task force.

1140

Mr Broadhurst: Just one brief comment: All that is captured in recommendation number 25, which I think it is fair to say is one of the three or four most significant recommendations in the report, because it really is breaking ground on this issue of trying to measure the effectiveness of an institution over time.

The Vice-Chair: We'll divide the remaining time among the three caucuses; it will be about seven minutes each.

Mr Murphy: I have a question related to the whole issue of how we make a decision, what is dealt with, let's say, between university and institutions. Going through this process of accountability that you've set up, I think one of your main assumptions is that the governing boards of the institutions are to be the focus for the decision-making about what you do with this information and how it gets set up.

I'm thinking about a taxpayer in this province who is saying, without saying what the answer is, "Does it make sense that we have all of these universities doing the same thing?" You know, it comes back to the board after a performance indicator that it may not be providing a particular kind of education in a certain faculty as well as it should be and, when you look at what some other universities are doing, certainly not as well as some others.

If I'm a taxpayer, I may say, "Maybe the most efficient way to use public money is to say, 'Let's concentrate that kind of educational pursuit in two universities and we'll have some of the others not pursue it any more.'" I can see that when you're focusing that process of decision-making on one governing board there's going to be a tendency to want to preserve those kinds of programs, because who knows what's going to happen in five years and you want to be full-service and all those other things. I'm wondering how you see that accountability process working on those kind of decisions.

Mr Broadhurst: I think that is really over to the deputy minister, because when we received our terms of reference from the minister and had a meeting with Minister Allen at the time, that was the question we asked, how do we interpret our terms of reference? It was extremely clear, and he made it clear to us, that for this task force the accountability was at the level of the institution, that the issue of accountability in a broader sense—ie, duplication of courses—was for another day. I'd therefore like the deputy minister to respond.

Dr Pascal: First of all, this is a question that gets posed more frequently now than it used to. We are living in a very difficult fiscal and economic time and context and I assume we will for more than just a few more months or a few more years. So there are many institutions within the university system that are posing the question, "In a forced-choice environment should be do fewer things better or all things less well?"

In this regard, the procedures very much respect the role of various players. Again, we're talking about institutions which have private charters and independence in terms of what they wish to offer. With respect to what's eligible for being funded, the minister gets advise from his advisory body, the Ontario Council on University Affairs. With respect to issues around the number and type of things and whether the mechanisms are in place at the graduate level, the Ontario Council on Graduate Studies, through its program review, is also a place which determines from a quality point of view whether a program should be continued or not, or modified.

There are mechanisms in place, but the interinstitutional ability; that is, if an institution decides—and one comes to mind. I won't name the institution, but if an institution not too far, for example, from where Mrs Cunningham might live, decides that it wishes to do fewer things better rather than all things less well and wishes to get out of a business, this is not something that, culturally, the universities have a long legacy about how to do. These are very difficult issues, issues made somewhat difficult by some of the structural issues that the task force committee alludes to when it talks about bicameral structures, where the academic integrity of an institution lies resident within the senate. Except for the governing body that Mr Broadhurst and I were on, an institution not too far from where Mr Lang works, all the universities have a bicameral situation where the traditional fiduciary-academic split—and never the brain shall meet; over one's dead body—has been part of the way these institutions work.

The task force report is suggesting that there be far more reciprocity among and between those activities and that the boards of governors, as I said earlier, probably should receive OCGS reviews, which some of them don't, or many of them don't. The undergraduate program quality reviews that the OCUA has advised on might also hold some promise in terms of the kinds of things that Dr Lang referred to earlier as lending themselves better to a process like that than the indicators process. The shorter answer is that there are some natural pressures which I think are going to lead over

the next 5 to 10 years that will, along with some of the mechanisms that we're talking about, allow institutions to do fewer things better rather than all things less well, and to not do it in isolation, but to do it interinstitutionally, as the institution to which I referred wishes to do with another university.

There have been some universities which have gotten out of businesses and have done it in an organized way, so that for the sake of the student the quality opportunities were greater, and because it was coordinated with respect to what the students will be able to do with the remaining programs around the province, accessibility is also something that can be part of that kind of resolution.

Mrs Cunningham: I think this whole issue for this committee and for the government in Ontario is very complicated and very difficult, and as we're looking at really accountability with regard to the taxpayers' money and what they can get back for the money they invest, I think the universities—you're quite right, you know—have had a lot of autonomy.

Your example, Dr Pascal, of the sabbaticals amused me, because when I was first elected to a school board in 1973 we decided by 1976 that these sabbaticals weren't particularly useful to our particular board in London and we therefore negotiated with the teachers study leaves instead, and more people had more opportunities to visit other parts of Ontario and the world and come back and contribute to that particular school system. In spite of the autonomy of the universities, those are the kinds of questions that I think are the responsibilities of the boards.

But I have to tell you as an elected person at many levels that it's very difficult for people on boards to ask questions when they constantly get the same answers and they don't have the expertise, nor will they have the expertise and experience. It's very unusual to get people who have the kind of expertise that can ask the right questions, and it's because they've been heavily involved. My hat goes off to my colleague Mr Sutherland, who was president of the student council of Western and was responsible for asking those kinds of questions, and he continues to do so. But you don't often get that kind of expertise.

Mr Tilson: He'd make a good Tory.

Mrs Cunningham: Yes, he would. I keep telling him when he grows up he will be a Conservative, but I'm patient.

The Vice-Chair: I'm sorry, we cannot tolerate insults on this committee. Would you continue, please.

Mrs Cunningham: The Liberals were left out once again.

My question to Dr Lang is this. The other report recommended—and I'm sure you've looked at it, because you did give them good advice—that there were some possible 24 indicators that should be considered. Do the universities have the data to deal with those kinds of indicators, or is that something else that we're going to have to spend a lot of time and resources to get? I mean, if we've never asked the questions, do they even have the data?

1150

Dr Lang: That was my reason, in concluding, for mentioning the reality test. Yes, those data are available. That was one of our reasons for taking some care to discriminate between data and data and data, in terms of saying, "Which ones really mean something and which ones should be juxtaposed with others?"

Mrs Cunningham: Can I ask then, when you talked about retention rates and staff-student ratios and student evaluations and quality of teaching, do you think now that there's enough information that if the public were to ask those kinds of questions, or a member of any governing body, probably within that university they'd be able to answer them in some way but there may not be across the board—and I'm not saying there should be—those kinds of indicators that would be applicable to different kinds of universities? Are you saying they can answer it for their own university now?

Dr Lang: First, when I made the point about the evaluation of instruction, I was identifying that as an area in which it wasn't a matter of data being available or not, but rather that would simply not be a reliable way to assist teaching. In your list, some of those are areas where we believe indicators are possible and some are areas where our advice was that even if there were data, they would probably not tell you what you would think. In the areas where we believe indicators are relevant, are desirable, are meaningful, the data, we believe, are available. Institutions could construct these indicators.

Although it's not directly relevant to the task force, I think there's a quite tangible answer to your question. The universities of Ontario, about six weeks ago, proposed to the editors of Maclean's magazine that the indicators proposed here should substitute for the data which it collects. The reason the universities proposed that was that we believe that these are far more reliable and relevant than what Maclean's is doing. What Maclean's is doing is largely a great big black box. Instead of alphabet soup, it's numbers soup. All that's in there gets stirred around. They come out in a certain sequence and you think it tells you something.

To come to the point, we felt that would be an unreasonable proposal to put to Maclean's if we were not confident that each university in the province could in fact do that if Maclean's were to accept the proposal. This report had then been out for, I guess, three or four months, and every university said that if Maclean's would accept that proposal by January 1, 1994, every one of these indicators would and could be calculable

for each university in the province. So for a quite different reason, we know the answer to your question.

Mrs Cunningham: So then Maclean's could be the monitoring body and we wouldn't have to spend any of the taxpayers' money? Just a thought.

The Vice-Chair: Mr Broadhurst, you wanted to comment?

Mr Broadhurst: Yes, I would like just to have one caution on this, and it's in the report on page 55: "If any of these indicators is to be employed for comparative purposes, it will be necessary first to determine which institutions are to be considered as peers for the purposes of comparison. Only peer institutions can be usefully or appropriately compared by use of these indicators. Indeed, when employing the peer principle, it is probably more meaningful to compare faculties or academic program areas, for example, health sciences, engineering, law, etc across institutions rather than compare institutions as a whole." That was a caution that we felt quite strongly about.

Mrs Cunningham: I think that one should have been underlined.

Mr Broadhurst: It's underlined in my copy.

Mrs Cunningham: That's great. I'm glad you said it, though, I'm really glad you said it, because those are the kinds of things that get us into trouble.

The Vice-Chair: Dr Lang, a brief comment before we go on?

Dr Lang: The first is that our point with Maclean's wasn't that we thought that kind of comparison was a good idea, but simply the point was, could we guarantee to deliver the data? We all disagree with what they do with it.

A second point I think is relevant to Mr Murphy's question. I agree completely with what Bill and Charles said about how it has a whole lot to do with the system too. Our entire report says that these are indicators program by program by program. That I think would help institutions at least be aware of the choices. You may be quite right that in the end they don't have the backbone to make them, but if you do have indicators and you have them on a program-by-program basis, it will become pretty apparent that you have a marginal program in a field that's already crowded. So you begin to say, "Maybe we should vacate this field." I think it would help in framing the question. I don't know that it helps in the political answer to the question or that it helps in terms of how the province works, but I do think it would help.

This program base versus institutional base is critical for another reason. Not that I disagree with what Dianne Cunningham said, but there are two reasons for it being important, not just one.

Mr Murphy: We can follow up this afternoon, but we're going to ask governing boards to do a lot.

The Vice-Chair: Before we go on to the government caucus, just for your information, pages 144, 145 and 146 of the report do have a list of the indicators that Dr Lang is referring to. Now we go to the government caucus. I think Mr White was still left over from last time.

Mr White: Left over.

The Vice-Chair: Could I rephrase that to, "Mr White did not have an opportunity to speak in the last round."

Mr White: Thank you, Madam Chair. I was very impressed both with the report as a whole and with the indicators. Obviously, there's been a great deal of fairly rapid work done. We have a huge task in front of us—the issue of the reliability of those indicators, the juxtaposing of what are reliable, relevant, valid indicators with the Maclean's survey, for example—obviously taking seriously issues that in the past have frankly been seen to be irrelevant to the Council of Ontario Universities and in fact to your whole community.

I was very struck with the issue about the role of a governing body. There are some 23 recommendations that describe that role. They describe some parameters for the internal accountability and governance of the university. They describe them in ways which would allow the university to maintain its values while still offering value for money. But some of them seem so fundamental, I'm surprised they need to be articulated as well as they have been: the issue of conflict of interest, the issue of the representation on the board of governors. I'm wondering if we could have a brief discussion of that issue, how universities have been attempting in the last while to deal with this issue with their boards of governors or the value of those boards.

Dr Pascal: Let me simply try to give an answer that brings together Mr Murphy's brief comment a moment ago, which is that it's a lot of work for boards to do, with what Mr White has said. I agree with both of you that it is a lot of work to do, but you might also ask—if I can, Mr White, in responding to an important question from Mr Murphy—when you look at what the task force report is recommending, that they provide publicly available, transparent information about the budget process and its results; that they conduct performance reviews of senior officers in an effective manner, with performance objectives; that they engage in developing performance indicators about how we're doing; that they review academic reports publicly available.

When you look at all that, I think it's a legitimate thing for someone who's not been on a university board—I'll presume that you may not—that those are a lot of new things to do. The assumption that Mr White is posing is, "They're not doing that already?" If they're not doing that, the question I would pose rhetorically is, "What do they do?"

Mr Murphy: Raise money.

Dr Pascal: Raise money, work hard on the new residence and the zoning and what we can do over here in this neighbourhood and so on and so forth, lots of important things. But I think—again, I will be autobiographical in terms of my own participation on two governing bodies and as someone who's worked in another institution as a president of a governing body—the kind of strengthening that is suggested by the task force and the kinds of things I think Minister Cooke will announce in the near future will create some very clear expectations about what should be considered basic five years from now that has not necessarily been basic. So those that come to some of these recommendations new, I could understand why, but I'm not suggesting that university boards don't do important things. I just think they need to do other important things.

Mr White: If I could, Dr Pascal, get back to the issue of an indicator, the recommendations as they are outlined would seem to me to be an indication, if those were followed, of a board of governors that actually governed. If they were completing those tasks, then they would actually be governing. The fact that the recommendations have to be made indicates to me a lack of their effectively governing those institutions.

Dr Pascal: No. I would not want any of my remarks to suggest that they haven't been governing. What I am saying is that I agree with you that some of what the public and those who represent the public think should already be in place is not universally in place in our universities.

Mr Sutherland: Yes, in some universities.

Mr White: Not universally.

Dr Pascal: It is in some; it isn't in others.

Mr Broadhurst: I think we're getting into one of the other very dicey questions that the task force faced, and that was the senates. Most of our institutions are bicameral: They have a governing body and a senate. We felt that, by and large, the governing body had done a very good job on the financial side of the thing: audit committees, financial statements. These are all mentioned in here and there are not very many recommendations in there.

In the statutes of most universities, the duties of the senate are set out separately and the duties of the board are set out, and the issue was, where do they interface? What we have said in this report—and it won't be hugely popular in some circles—is that in the accountability framework presented in this report, including an appropriately representative governing body, it must be understood that the governing body has the ultimate responsibility for the institution and therefore is accountable. So a lot of the recommendations in here are slanted towards monitoring of academic activities by the board, and I think that is in some cases moving into new ground.

We're not saying that the board will decide on what is on every course or the curriculum of that, but it will monitor, it will look for performance indicators and how the administration thinks they should develop over a period of time and the board will be responsible for following through with that. We see the board having a larger input, in a monitoring sense, into what's happening in the academic side of the institution. That is, partly at least, an answer to your question, Mr White.

The Vice-Chair: Thank you. We'll recess for lunch right now, but I would ask members if you could be back promptly at 2. We have a fairly full afternoon.

Mr Murphy: As we always are.

The Vice-Chair: As we always are. Just a gentle reminder to make sure that today is no exception: We do have a very full afternoon and I know that there are still a number of questions that we have left of our witnesses. The standing committee on public accounts remains adjourned until 2 o'clock this afternoon.

The committee recessed from 1204 to 1406.

The Chair (Mr Joseph Cordiano): Members of the committee, if we could resume our session this afternoon, I believe we left off where each of the parties was going to have a 20-minute question session. I will start with Ms Poole, and we'll go in rotation at 20-minute periods. I believe we have everyone present who needs to be here. Ms Poole.

Ms Dianne Poole (Eglinton): Thank you, Mr Chair. I'll put on my other hat. Instead of being Vice-Chair, now I'll be a member of the committee who can ask some questions.

Mr Callahan: You don't have a hat on at all.

Ms Poole: That's true. I did remove my other hat. I just thought I'd tell you. He's still bitter because I cut him off this morning.

I'd like to talk to you for a few minutes about perception and reality, and particularly the public perception of what goes on in academic institutions. It's almost irrelevant whether this perception denotes reality. If in the public mind that's what they believe to happen happens, then they believe that is reality.

I'd like to talk about people who are not in the academic community and some of the concerns they have. I speak as a non-member of the academic community. I think they see that the academic community is a very cloistered environment and there are a number of things that happen there that they really don't understand, for instance, sabbaticals and how they're conducted and why; some of the generous severance packages that have gone on within the universities over the last number of years; they don't understand why, for instance, long summer recesses are necessary for the members of the academic community to refresh them-

selves. These are all kind of things in the back of the mind.

Then they read articles on the front page of the Toronto Star which say that if young persons have an 80% average, they're not necessarily guaranteed access to an Ontario university. So they've got all these things floating around in their minds.

Then I'm looking as a member of the public who would pick up your report on the Task Force on University Accountability and a lot of it would make sense, would seem to be very reasonable recommendations until we get to the part where basically the task force recommends that it not be the Provincial Auditor who does this external audit on accountability.

Your task force has given several rationales for this. First of all, I think you quite aptly made the point that a number of the institutions don't have the framework to do a value-for-money audit right now, and the institutions themselves have to create that framework.

The second one is where I think you might find the public is a bit more at a sticking point. That is the concept of academic freedom and institutional autonomy, where you feel that if an external auditor such as the Provincial Auditor came in to do a value-for-money audit, basically the auditor couldn't be sensitive to programming and policy and this academic autonomy. I think that's the part I'd like to explore with you because on page 30 of your report you make the following statement, and I'll quote:

"The ministry expressed opposition to undertaking value-for-money auditing, which it described as an inappropriate tool for assessing the operation of the universities. Were the Provincial Auditor to be given such authority, the ministry stated that 'the auditor must specifically be prevented from auditing the merits of the policies of the transfer payment recipients'"—that is the universities—"'consistent with the prohibition of auditing government policy.'" Then it goes on to say, "In his meeting with the task force in February, the Provincial Auditor emphatically stated that his office has no intention of auditing policy."

I think that's a very important distinction. I fully support the notion that there should be a preservation of university freedom and autonomy in the academic sense, but I also think the public has a right to know that public funds are being expended wisely. I would like to emphasize that we are not talking about policy decisions or programming; we're talking about doing a value-for-money audit of the day-to-day operations of various academic institutions to ensure that the money is being spent appropriately because, human nature being what it is, there are always mistakes that are made, there are judgements that may not be wise, and I think the public has a right to expect large sums of public money are being expended properly.

After that very long preamble, I would like you to comment on the fact that, given the fact that the Provincial Auditor has stated that his office has no intention of auditing policy, and I believe the auditor can confirm this—I believe the auditor would be willing to put in legislation the fact that the auditor would not impede and interfere in this way. Instead of the auditor taking on this responsibility, and in our eyes the auditor is independent—the auditor is apart from government; the auditor is apart from the public; his duty is to look after the public interest—you've recommended an independent committee to do this audit. But I get the definite impression from the way your report reads that you're talking about peer review and you would be talking about academics auditing the academic process, and to me, and I think I'm fairly representative of the non-academic public, it just looks like an inside operation. So, like I say, after that long preamble, would you like a long response?

Interjection.

Ms Poole: At least it was on topic.

Mr Broadhurst: There are two things I would perhaps point out that are not quite as you have stated them. You say a peer review means academics auditing academics. We had in mind equally that it could well be external board members, say a person who's been appointed to a board of a university by the Lieutenant Governor in Council to represent the public, and at some later time, having finished a stint or a term, who might very well become a member of a monitoring board. So we don't see it necessarily as a board of academics. We see it as a group of people knowledgeable and with a background in the system. So that's one thing.

The other thing I would comment on is the fact that under the proposals here, the majority of every board is from outside of the institution itself, through a combination of Lieutenant Governor in Council appointments, other people appointed as representatives of the community under a protocol between the government and the university, and perhaps a number of those would be alumni people. So I don't see that group, which is in the majority of the board, as being separate from the public. In a sense, if the board is properly representative of the external community as well as the internal, but just the external, then surely those people feel that they have a monitoring role for the taxpayers' money. Personally, I would feel that. As a member of the governing council at the University of Toronto a number of years, both with an alumni hat on for a couple of terms and then with an LGIC hat for a couple of terms, I felt that I had some responsibility in this area. So I don't think that the responsibility is entirely gone and only is inserted by a Provincial Auditor.

Another point I would like to make is to go back to your perceptions in reality. I think there are a lot of

perceptions within the system about value-for-money auditing, which may be quite divorced from the reality too, and a lot of concerns and worries. We think we have put something together here by a task force that is really from within the system, I would grant that to you, that has a fair amount of buy-in. In other words, I think there are a lot of people who are very negative at the thought of any monitoring agency, but I think over the time that we were in existence, the concept of a monitoring board has received a large measure of acceptance. I think that's extremely important to the success of the accountability framework, that everybody accepts what's going on. In other words, it's not conflict all the time. There's a measure of acceptance.

My advice would be that we give this kind of thing a try, and universities are here for a long time, and not prejudge it until it's tried. I do see the public presence through the board representatives. I do see the public presence through the monitoring board, not as you've quite put it, "academics on academics." There might be very little of the academic component on the monitoring board simply because the program quality reviews, which is clearly an academic area, will be largely by academics, as are the graduate program reviews at the present time under the OCGS packages. So that's a try, anyway.

Ms Poole: What you say makes a lot of sense. I suppose I should qualify it by saying that I think most people regard academics in a fairly broad sense. They would be people within the system. They might be people who don't necessarily call themselves academics, but if they've worked in the system for many years and are part of the system, then from outside they do appear to be insiders.

I guess my concern is twofold. One is that it almost treats the Provincial Auditor as though the Provincial Auditor is an arm of government and not an independent monitor. I consider the auditor to be extremely independent, and I suspect the government is learning, to its misfortune, that he is very independent and will go in where he thinks it is in the public interest, not in the government's interest necessarily. The fact that the auditor's role in there is rejected I think might lead to a public perception that you want to deal with it internally.

Mr Broadhurst: Just to perhaps restate something from this morning, it seemed to us that if this system is up and running, both at the level of the institution and at the level of the monitoring board, the Provincial Auditor would have an opportunity obviously to assess, whichever way he wished, how effective the monitoring board was, and based on that assessment, can then decide what other things he must do or what other authority he must seek to fully satisfy himself.

Obviously, we would all be concerned about any duplication, including Mr Peters and his staff. If someone's doing a job well, then we don't have to do it twice. So we think this would be a better way to move in the first instance.

If in the judgement of the Provincial Auditor some of the fears you have stated came to pass, then of course he would have to take whatever steps are required under his mandate to meet his responsibilities. But I see that if we can get this up and running, we can cover a much larger scope of activity than perhaps he could with all the other parts of government that he's also involved with and interested in. He has only so much he can concentrate on this sector. We feel this might be a chance to do a lot more in this sector than he might be able to do in the same period of time, because I don't know how many value-for-money audits he would be able to mount in any given period, but I suspect it would be no more than one a year, if that, and that would presuppose a framework being there. So we see this as perhaps a better way, even though it sounds like a long time, of achieving more in the accountability area, and for that reason the task force felt it was well worth moving in this direction and giving it a try.

1420

Ms Poole: I think Mr Murphy had some questions before we run out of time, but I did want to say that I really appreciated the depth of the task force report. I think many of the suggestions you've made have been extremely positive and are very welcomed.

Mr Murphy: I wanted to follow up on some of the conversation we were having this morning. It ties in with what Dianne was saying. It's the concept of value-for-money auditing and the role of governing boards in doing that. Dr Pascal, you were saying that there was a degree of surprise that boards weren't doing that. I guess I'm not that surprised, just because of the nature of the institutions. I was talking with Dr Broadhurst just before, and it wasn't that long ago that U of T's accountability was the president got on the phone to the Premier and that was how it was done. It probably didn't change till the 1960s. So these things are evolutionary and this is part of that evolution. I guess I'm thinking about my personal experiences with Queen's University and then the University of Toronto. The nature of governing boards and what they do and how effective they are varies I think fairly significantly across all the universities.

I think what you're proposing here is a fairly activist model for governing boards that's going to make them the forum for some fairly significant decision-making in a very real sense, and the concern about academic autonomy will be one of the battlegrounds, because if you look at these performance indicators that Dr Lang has put together, you're going to have some fairly significant debates about, what if they yield the conclusion that you have a faculty that is not being very effective according to these performance indicators and

that's reported to the governing board? I can see there being quite a dispute about allocation of resources and what you're going to do and I'm wondering what are the ideas you have about supporting governing boards in implementing these recommendations and training and all that, given that I think the concept of a volunteer board continues to be a good one.

Mr Broadhurst: Well, that was the subject of some considerable discussion. We deal with it in a couple of places, for example, the issue of orientation of board members, keeping in mind there's two kinds of orientation a board member needs. He needs to know about the system, so there's some system-level orientation. He has to understand a little bit about formula financing and that kind of thing. But we see the possibility of some joint system orientation, perhaps under the council of chairmen or something like that. Then there's the institutional orientation. So we see a need for more of that. During our visits to universities we were aware—at one university, we visited on a Friday and they were having a board retreat that weekend. That kind of thing sounds very good.

Secondly, there was the support systems we talked about on page 44 and 45. We do think it's necessary that the boards review and be satisfied with their support systems. It's not acceptable, for example, in our view, for the secretary of the president to be the secretary of the board, just because that's a neater way of doing things perhaps. We see the board secretariat responding to the board chairman. We've got to be conscious of the cost of these things, but we think it's important that the board understand the debate behind the things they're deciding, and perhaps have a little bit more information on the other sides of the questions they're looking at.

Mr Murphy: You in fact anticipated one of my follow-up questions, which was, have you got a sense of the cost of the new structure and both the broader accountability review commission—sorry, I've forgotten the exact terminology for it—and the cost of the support to and expanded role for the boards?

Mr Broadhurst: We looked at the issue of costs in two ways: There was a cost at the institutional level and a cost at the level of the monitoring board. It was our feeling that even without a monitoring body, the boards of the institutions should broadly move on the recommendations about accountability frameworks and so on as a normal board responsibility. Even if there wasn't to be a Provincial Auditor or a monitor or anyone else, it was part of the job of a board. Boards are in different stages of development of this, so we were not able to estimate a cost on that, simply because some were close to where they should be and others were pretty far back towards the beginning.

We did try to run an estimate, and it's not one I would like to defend or give an audit opinion on. We did run an estimate on the monitoring body which was attached to OCUA. It was as described on page 76 and 77, and we came up around $300,000 a year. That was part of our terms of reference to try to give an estimate, and that's the answer to your question.

Mr Murphy: Mr Callahan has one question.

The Chair: One minute left in this round.

Mr Murphy: Just one quick question. I was talking earlier about the sort of interuniversity accountability and how you'd make some decisions about rationalization. I know your report focuses more on within the university, but I think it will provide information that will be fairly useful in those kinds of decisions. Did you get a sense from doing this about the kinds of structures you see could be helpful in making the decisions between universities about those kinds of issues? There's a million-dollar question, and not within your mandate, but I wanted to be able to get the benefit of your experience.

Mr Broadhurst: I think Dr Lang touched on that this morning. He felt, and I agree, that if a board is gathering information within itself and making its mission and its plans and monitoring them, it may be better able to begin to realize its own weaknesses in its own institution. In other words, they would be focused on, perhaps with a little better information, and it may assist that board in questioning its own priority of expenditures, even within the institution, by asking about similar faculties in other institutions to try to find out how they're measuring up. If they aren't measuring up, one alternative might be not to carry on that activity any more. In that sense, even at the institutional level it might be possible to have some use of these indicators and other measurements for that purpose.

Dr Lang: I would like to follow up on that, because the name of our report is of course Indicators and in fact that's what we've talked principally about, but if you have some time to look at the whole report, you'll see, particularly in relation to Mr Murphy's question, which I think is a very good one, there's a section on what's called peer selection. There's a section on mission statements. The principal reason that those sections are there is to achieve the very end Mr Murphy's talking about.

I don't think there's any doubt that governors will want to make comparisons. However, comparisons made willy-nilly are not helpful. Sometimes comparisons are made simply because another institution has statistics something like yours. It's easy to make the comparison. Sometimes a comparison is made and it's a bit like the reverse of guilt by association. If an institution spends a lot of time comparing itself to other institutions that are highly regarded, what one is trying to achieve is a kind of coattail effect. If we continually cast ourselves as being in this league, in time we'll be perceived to be in that league.

1430

Now, this is where one wants to merge a serious and systematic consideration of determining who peers really are, as opposed to who you wish they were, with the indicators, because if you systematically identify your peers and you systematically identify the indicators, then you can be pretty certain that when you make the comparisons, they're going to be objective and revealing comparisons.

I don't think anyone can predict how any individual governor will respond to that type of information, but I would believe the majority would respond the way Mr Murphy wishes they would respond and would begin to ask these provocative questions. If, when we compare ourselves, we continually discover that our program in accountability, let's say, ranks 14th out of 15th, I think at that point, the influence of academics notwithstanding, there's a very strong imperative to deal with it.

I think there's a relationship here as well to your question about, why the governors of individual institutions and not the Provincial Auditor? I can only speak for myself here. I don't think it's a matter of confidence or being insulated or protected or whatever. Personally I think it's a matter of effectiveness. What one really wants to deal with the type of question Mr Murphy is speaking about is a very clear sense of institutional purpose, measured in a very systematic way against other institutions with similar purposes, using indicators that are particularly relevant to that question.

I hope Mr Peters doesn't take this the wrong way, but I think a problem of applying value for money at the provincial level as opposed to the institutional level is that you tend to make comparisons that are illegitimate.

I can't speak for other institutions. Again, not identifying anything like our aspirations, but in a systematic way based on hard information, I would not expect to find most of the peers of the University of Toronto in the province of Ontario. If I were at the University of Guelph, I would certainly hope that the principal point of comparison in terms of value for money is going to be the University of Saskatchewan, for example, which has got programs in veterinary medicine and agriculture, which no other university in Ontario has got. Useful information or value for money is value for money in terms of what a particular institution is intending to do.

I would argue—again, with no disrespect to the Provincial Auditor at all—that it's the governors of the institution that have a better sense of what that mission is than any provincial body. It's the level at which it's conducted, not who conducts it, and that's why, both in the task force report and in the committee on accountability's report, there is this insistence on a mission statement. There's even an insistence on what the mission statement has to address. I'm not saying that we're prescribing what the mission of an institution is, but rather, you cannot take some broad wish list and sort of slap the words "mission statement" on it and say, "Okay, that's our mission statement."

The Chair: I don't mean to interrupt, but the auditor wants to make several points in regard to that and we're way past your time. In the interests of keeping this equitable, I want to turn to the auditor and get his views on some of these matters, and then we're going to move on to Mr Tilson in the rotation.

Mr Peters: A very quick one. Firstly, there's just absolutely no doubt in my mind at all that we are dealing with an excellent piece of work in this task force report and that it will push a lot of things a lot further along than where they have been. I think expectations have been exceeded in many respects by this task force and I want to acknowledge that at the outset.

I wanted to make to the current discussion two specific points. One is that Mr Broadhurst has been very explicit and very clear in stating that this report does not deal with what I think you raise your hand on when you say it's talking about the university system. It does not deal with the system itself, and these comparisons, like, for example, value-for-money auditing, would not at all get into comparative analysis of institutions. We deal with whether a particular institution with its particular mission would achieve the objectives for which the province provides funds. I have no other role in value for money than to deal with that particular issue.

But I would in all of this like to really re-emphasize the tremendous need here to establish some sort of framework within which the ministry can work, because it is the ministry that provides the funds. Even if this report had provided the opportunity to us to conduct value-for-money audit, it would not have been a satisfactory situation to us if this value-for-money audit, which would occur only from time to time, were to substitute for appropriate accountability to the ministry and through the ministry and by the ministry for the funds it expends on the university system.

This is why I want to reiterate the comment that I made at the outset that I really appreciate—although it is just buried in the text somewhere and did not find its way into a formal recommendation, but it is there—your task force's saying, "Put the ministry into a position to deal with this situation appropriately." It is, as particularly I think Mr Sutherland will appreciate after our encounter before another committee, very important to my office that accountability frameworks be established before the accounting regime is established. That is totally within the purview of this committee as well which, as you know, has charged me with pursuing a legislated accountability framework for the government before the Audit Act is amended and any broader powers are brought in.

Having said that, I do appreciate the comments that are made about value-for-money audits. Yes, I wish

they were in, and I agree that they would be a lot more effective if in fact this legislative framework is in place first, and then we can look at the auditing.

The upshot of it all is that with the proposal that is made, we really are looking at this situation where the proof of the pudding is going to be in the eating and how this is going to work and whether there is a need to come forward to this committee and suggest that a value-for-money audit should be conducted. Those essentially are the comments that I'd like to pass on to you.

The Vice-Chair: We'll go to Mr Tilson now.

Mr Tilson: I must confess, Mr Peters, that that's been my observation of this whole debate, the desire for the elected representatives to ensure that there is a proper accountability for substantial amounts of taxpayers' moneys that are being spent in universities on university education and, on the other hand, the genuine fear of the university community that government is going to come in and tell them how to operate their business, the fear of losing their independence.

I think if a formula can be established or some sort of, to use Mr Peters's wording, legislative framework put forward that the Provincial Auditor isn't going to interfere in government policy, as was stated I think in his remarks, the university community might feel a lot better.

I must confess I've read chapter 6, which deals with the external monitoring body. Mr Broadhurst, I'd like to continue on with the line of questioning that Ms Poole started, and that is on that very topic.

In reading chapter 6, I guess it's my general aversion to increasing bureaucracy—and there is going to be an increasing bureaucracy doing something which I believe the Provincial Auditor can do and is doing. I must confess I believe, again assuming the proper definitions are described, that I would prefer a value-for-money audit, whatever that means, and I think we all know what that means, as opposed to an inspection audit, which has been described as simply reviewing financial statements and making sure proper expenditures have been made. I know I'm oversimplifying what that is.

1440

I'm averse to increasing bureaucracy. I'm very concerned with the framework that's been described of this external monitoring body because I question whether it will be as independent—and this is the line of concern that I believe Ms Poole was putting forward, the question as to whether it really is going to be as independent as you're saying.

I look at the people who are going to be appointed. They're going to be appointed by the minister. I forget where it says it here. Under selection periods—this is a recommendation under section 6.3—"It is recommended that the members of the"—that's not the one I was looking at. I guess generally speaking, it's an appointment by the Lieutenant Governor, by the ministry, seven people I believe. I think I was referring to the wrong section, but my memory tells me that's what it is.

I quite frankly go back and challenge the lack of independence, even the reporting process. As I indicated this morning, the reporting process is going to be to the minister and to the universities. You have indicated on page 73 the reports will be made available to the Office of the Provincial Auditor and the standing committee on public accounts, but so what? Again, we're getting back to our original concern, and that is the fear that there is proper accountability of taxpayers' funds. I'm concerned with that; I'm concerned with the cost, which is what Mr Murphy raised.

I'm going to ask you two specific questions after that long preamble, which I guess we're all getting into this afternoon and this morning. Have you investigated how many individuals would need to be hired to staff such an organization as this? You've told us how many people are going to be on it, seven to nine, I think. How many people are going to be required to staff it?

Mr Broadhurst: I'd like to make one comment first. If the Provincial Auditor were to embark on a program of value-for-money audits in the university system in the individual universities, my view is that there would be additional costs to his office for this purpose. Now whether they would be drawn out of the current budget or by add-ons I don't know, but it seems to me that the costs we're talking about here, an element of them at least will be present whichever system you choose to use to monitor this. So it's not all new costs in that sense.

Mr Tilson: But there will be a new bureaucracy.

Mr Broadhurst: Yes, but we were conscious of that bureaucracy too, and after some debate, we decided that the monitoring agency would be linked to the OCUA secretariat, so that rather than having to create a whole new office, with all the things that means, it would work out of the OCUA office, as does the academic advisory committee, which also advises on academic matters directly but uses the OCUA facilities.

We would see using the OCUA staffing facilities and, quite frankly, we saw only the necessity to add one full-time staff member to do this. We saw the need for a part-time chairman. My guess was between 75 and 100 days of activity for the chairman. The members being seven, we saw them probably having about 10 meetings a year, roughly a monthly meeting. Then the biggest cost by far would be the onsite reviews. On the seven-year cycle they would have to go out and, with their experts, examine at first hand the accountability framework.

We were conscious of what you're saying and it was part of the debate about setting up an entirely separate

bureaucracy. That is why this particular monitoring agency or body has been attached to the secretariat of OCUA to work within that secretariat. That was our attempt to address the question, which is one we were asking ourselves, just as you've asked it.

Mr Tilson: I guess I must say, with due respect, I just don't accept that. I can't believe that. That's just a respectful disagreement. The report that you've made is certainly wonderful. I just can't believe that what you're requiring this body to do is only going to take that amount of people, particularly when, on your own admission, you haven't had a detailed cost analysis.

Mr Broadhurst: Well, I think what you're overlooking is the fact that we see a lot more activity—and this has already been referred to in some of the comments and questions—at the board level. If a board is doing its job properly in its own accountability framework, there will not be a lot of difficulty for the monitoring body in overseeing that and reporting on it.

We're working on a biannual written report, which would be prescribed by the monitoring body as to what it should include, and a seven-year, on-site review. You could do two or three site reviews a year to cover all the components of the system.

Mr Tilson: Your report is generally frank as to the summary of some of the interesting debates that you had throughout. One of the debates I noticed—because I still say the initial concern, I'm assuming, is the fear of the Provincial Auditor coming in and telling the universities how to operate their business and interfering, taking away the independence.

Having said that—and that may be a wrong assumption, but I don't think it's a wrong assumption—it is interesting to notice that some of the people who were in this debate were concerned with this independent monitoring body doing exactly the same thing. They appeared to be in the minority.

I still get back to the question: If legislation can be drafted in such a way, along with consultation with the university community, that independence could continue to be maintained—in other words, the Provincial Auditor will not interfere with policy—would you be prepared to perhaps reconsider your position on such an external monitoring body?

Mr Broadhurst: I don't know exactly how a chairman of a committee can reconsider a position—

Mr Tilson: Probably you can't.

Mr Broadhurst: No. Right.

Mr Tilson: But as a politician, I can ask that question.

Mr Broadhurst: Okay. Well, as a chairman I can answer it then I guess and simply say that as a committee, and the committee included all the internal components of the university that you can mention, our determination was that it was better to try this first.

Mr Tilson: Okay.

Mr Broadhurst: I accept fully as the Provincial Auditor says, "The proof of the pudding is in the eating." If it doesn't turn out that way, then okay, something perhaps that's viewed as more draconian would be needed. Whether it is more draconian or not perhaps is part of the perceptions issues, I don't know.

Mr Tilson: How much time do I have?

The Vice-Chair: About seven minutes.

Mr Tilson: Okay. I have one more question, and then there's an area of similar concern that I had that Mr Callahan has raised and I'd like to give some of my time to him.

The issue of university tuitions has been a hot topic in the media lately and among people attending universities. Students appear to be worried that in a regulated tuition environment, universities use ancillary fees as back-door tuition increases. Do you think the students' concern is valid? Perhaps my question is to Dr Pascal.

Dr Pascal: As I mentioned earlier this morning, the subject of tuition policy is under review and, along with that, the important companion piece of reviewing the ancillary fees. As we raised the question with universities, we have been told that there is no problem and it's being done within the provincial guidelines. When we talk to student leaders we get a message of concern that the consistency with which certain principles are applied is not there. We have discussed this with leaders from various constituent groups as recently as yesterday.

It's hard for me, not having done as thorough a study as I think we would want, to be able to answer your question as directly as I would like.

1450

Mr Tilson: I certainly understand the public consultation process that you're going through with students and others, and I support that. I guess the final question before giving the floor to Mr Callahan would be, do you think that students should be given a vote on fee increases, the ancillary fee increases, and the ability to opt out of certain fees? That's in your report.

Dr Pascal: Just one comment. I would say many of the ancillary fees that are assessed at most of our universities—it's not a complete answer—involve student leadership in those decisions. So, for example, and Dr Lang may wish to speak for a university located a few metres away with respect to some of the ancillary fees set there, they are codetermined with groups that include students. But I yield the floor.

Mr Broadhurst: I would point out, and, Mr Tilson, I think you perhaps have noticed it, that we do have a recommendation on that point and the discussions on 61. We are differentiating between fees where the institution has real discretion, and we feel that should be done through a consultative process, that the students should have a chance, and they would have a chance

through their representation on the governing body to make their concerns known, and then decisions have to be made. That's about as far as we thought we could go in addressing that.

Mr Callahan: I've only got about four minutes, Doctor, and you can maybe answer it on their time, if that's all right. I want to just get a little more information. I thank you very much for the information on the international students. It did form a part of the strength of the framework report, in a little different vein.

Your memo tells me that about 2.1% of the total full-time enrolment of 117,000-plus, 2,442 of them, are international students; ie, from another country.

Dr Pascal: On the college side.

Mr Callahan: Yes, right. On the university side, of the 339,181, nearly 13,151 are international students. Do they pay the same tuition, or do they pay a bit more?

Dr Pascal: They pay more. They pay a substantially higher visa fee. It's roughly a little over three times what a non-visa student pays.

Mr Callahan: The reason I'm asking that question is, does that pay for the real cost, or are we still subsidizing?

Mr Tilson: That's a good question.

Mr Gerry McIntyre: Excuse me. It's extremely difficult to answer that question, again, directly, because of course the costs of any given program vary and are not necessarily in direct proportion to the tuition fee charged for that.

Mr Callahan: Can that be pulled together for some later—

Dr Pascal: Yes, we can provide that. As Mr McIntyre has suggested, there are program differences, but I think to the narrow part of the question, which has to do with whether there is still subsidy in terms of a gap, the answer is yes. It's a question of how large the gap would be.

Mr Callahan: Maybe you can provide that to us, since we don't have time to get it. Because what concerns me is that 2% of the student population for Ontario colleges is from outside the country, and 4% of the university, roughly, and maybe a bit more than 4%, is from the universities. I'm hearing stories anecdotally and in some cases students have told me this, that they can't get into universities here; they have to go to the States because there are not spaces available for them. It strikes me as a little strange that we would continue the program of having any foreign students in this. I know that's a policy question and I'm not asking you to answer it yes, no or maybe, but—

Dr Pascal: The only thing I would say is that when an elected official does engage in answering the question, she or he would certainly want to engage in discussions about a full range of policy issues, including social and economic policy in the interdependent world and what various investments and return on investments yield in terms of—

Mr Callahan: Of bringing them here.

Dr Pascal: —some of those larger issues.

Mr Callahan: Okay. Finally, can you in your report, if you can pull it together as well, give us some idea if possible: Of the number of those students who attend our colleges and universities, how many of them would remain or how many of them just return to their country of origin? I want to find out what we gain other than sort of what you've indicated, Dr Pascal, whether we're getting any of these people to stay here and use that investment we've put into them or they're just going back to their home countries and using us as an expensive place to be educated.

Mr McIntyre: We can certainly provide information in response to that question. I would note that the numbers on international students that you received today do include students who would be in Canada under the sponsorship of various international programs, both under the auspices of the government of Ontario and under the auspices of the federal government of Canada. That is, all students who are in our institutions on a student visa are included in that number. The basic understanding with respect to students who are in Canada on a student visa is that they are truly international students in the sense that they are expected to return to their country of origin.

Mr Callahan: So the student visa is the largest amount—

The Chair: Mr Callahan, your time is up.

Mr Callahan: Okay. If you can give us that information, it would be informative.

The Chair: Sorry. I have Mr O'Connor.

Mr O'Connor: I'd like to start off with something that my colleagues across have picked up on. I guess to some degree I myself have a concern that we're going to create a further accountability body. When I look at your report—very well written, a lot of commonsense things—and look at all the different advisory committees, review committees, associations and the Council of Finance Officers for the universities and colleges, it seems like there should be a way that some of this relationship, in these committees that you talk about, should be able to take place.

For example, the recommendation on page 67 recommended that "the governing body of each institution monitor all institutional research policies and practices to ensure that they are consistent within the university's mission statement and academic plan." That sounds to me as pretty much common sense. I would think that the universities are following a practice very similar to that.

I guess part of the difficulty we had as a committee

earlier on, two years ago in the process, was that it becomes clouded. When the auditor went into the universities and took a look at exactly where—because here it is, all the dollars. The universities raise dollars through their alumni and private dollars that are raised in a number of different ways: fund-raising, some which are gifts because of the work with the private sector, and then of course there are the public dollars that go in there. So we as politicians have to be concerned about the public dollars. We have to be concerned about the use of those dollars, and as the public accounts committee, I guess that's why we've taken this as a concern, all of these dollars, which get mishmashed into things.

So to take a look at that, we start talking about creating another committee or another bureaucracy. That's what my colleague raises, potentially $500,000 to establish a committee to take a look at that. In this time right now of very tight dollars, $500,000 for probably any number or any one college or university in this province could be shared out for a program or two, and it certainly would go a long way. Whether or not this then at the end of the day will accomplish what we would hope it would accomplish is that the accountability for the dollars that the universities and colleges get is being used properly.

Your report certainly touches on just about every element of funding, every possibility of accountability, to try to make it as clear as possible, but I wonder if we do need to create this other review body. Can't one of the established review bodies possibly do this work without a great deal of added expense and make sure that this accountability network does take place?

Mr Broadhurst: First of all, there's one very important source of funds that occasionally the committee overlooked too, and that's fees, and they wish accountability for that too. So I'd add that to your list.

1500

I go back to basically the discussion I had with Mr Tilson. We feel that by attaching this agency to an existing agency, OCUA, we mitigate as much as possible the cost of running this agency. We don't set up a new bureaucracy, which means, as you well know, everything to do with offices and equipment and so on and so forth.

Mr O'Connor: I appreciate that.

Mr Broadhurst: We see no need for the addition of any office equipment, for example. We feel that OCUA brings to the party knowledgeable staff. I mean, they are knowledgeable in the university sector. They can be of assistance to anyone there on a part-time basis. So we feel that a monitoring body is required and we've tried to structure it in as cost-effective a manner as we could think of.

There were some who felt it should not be attached to OCUA, as we mentioned in the discussion, but on balance the decision of the task force was that this is the way it should be done. We did suggest that this monitoring body itself should review what it's doing after a couple of years and be satisfied that its attachment to OCUA isn't affecting its independence, for example. So we're not making any final determinations at all; we're simply indicating a road to go down to see what can be done with that particular direction.

Incidentally, the figure that we talk about is $300,000, which is quite a bit different than $500,000.

Mr O'Connor: You're right. There's a range, I guess, $250,000 to $300,000. I apologize.

If I go a little bit further back, though, to the authority of the Provincial Auditor, we have an independent auditing source through the Office of the Provincial Auditor that did go into the universities that we've talked about: Trent, Guelph and the university very close to us here. They ran into some problems, or felt they ran into some roadblocks or felt at that time—I'm going back a couple of years to some of the conversations that took place when we had the previous Provincial Auditor before us—that they weren't given enough information to do a full audit. Do you think this committee would have the capabilities of going in there and making a real, true value judgement of what was missing then that the Provincial Auditor at the time could not assess?

Mr Broadhurst: I think there are two things perhaps being dealt with here. As I understand it, and Mr Peters could confirm this, in his audits or his predecessor's audits of the three universities, first of all there was certain resistance gathered. It was a new thing going on and I think there were questions of legality and all this kind of thing, which I'm not directly familiar with. But it seems to me—I'm not sure what other roadblocks were there in the sense of your financial audit, as I call it. Certainly, one was not being able to follow funds, as I've mentioned, into other funds within university operating funds through into endowment funds. I think we've largely dealt with that in this report, saying that, really, operating funds should be able to be followed through wherever they reside in the university and that the Provincial Auditor should have authority for that.

The question, then, of value-for-money auditing is really another kind of auditing. You can do financial auditing and you can do value-for-money. We're talking about both, what the Provincial Auditor's talking about.

It still was our feeling that we could accomplish through this mechanism, for not much of an increase in cost—because as I've said, the Provincial Auditor did three financial audits in three years, one a year. We are suggesting, under these estimates, three site visits a year, so that's quite a bit more. I feel that many of the costs in the site visit that this monitoring body would have, Mr Peters's staff would have, in the sense of having to retain some experts, so I don't see it as

entirely add-on, some duplicate of the cost. If there was a value-for-money audit by the Provincial Auditor, he would have to retain some of the same kind of expertise that our monitoring body would have.

Mr O'Connor: Finally, I guess in your recommendation to allow the Provincial Auditor to then—just on the last line in the recommendation, "The Provincial Auditor be given authority to conduct inspection audits of all funds provided by" the provincial government, right up to the last line which says, "preferably through a protocol within the institution."

Do you have any suggestion what that protocol might be within an institution, or would that be something that then would be developed by the review committee as you see it?

Mr Broadhurst: I think that particular matter may be a little bit of a legal question, as to whether it needs legislation to allow the auditor to go further or whether the universities could, by agreement with the auditor, let him go further. Do you know what I mean?

Mr O'Connor: Right.

Mr Broadhurst: I'm not competent to really say. What we're saying is, wherever possible, if there's a solution that doesn't involve legislation, why don't we use that solution? If we have to have legislation, fine, then use the legislative solution.

Mr Sutherland: Just for Mr Callahan's information regarding the international students, I also believe the federal government requires all visa students to come in with so much additional funds besides what their tuition fees are. They have to prove that they can be self-supporting. So, most of that money that they bring in, they're probably going to spend during their year here.

Mr Callahan: We pay their health insurance.

Mr Sutherland: All I'm trying to say is that you shouldn't just look at what the tuition fee amount is because the federal government does require international students to show proof that they have other funds to support themselves throughout the year outside of their university undertaking.

I think the other point that we need to talk just a little bit about, or just a couple of comments—first of all, the task force wasn't set up only as a response to the auditor's report. It's my sense that was partly it, but also that the ministry had concerns about accountability processes not only in terms of towards the auditor, but accountability to the communities the universities reside in, to the university community and the different components of the university community. I think we need to keep that in line as well.

Some comments were made about proposed cost of the new body. I think we do need to keep in mind that—and I think the figures were $300,000 or $500,000—

Mr O'Connor: It's $250,000 to $300,000.

Mr Sutherland: Okay, $250,000 to $300,000. When you compare that to how much we spend on university education and put that as a percentage, you're talking a very small amount of increase in a degree of accountability process. I guess I wanted to just—

Ms Poole: I think it says one 60th of 1%.

Mr Sutherland: Yes, so we're talking a very small amount. I guess I want to talk about picking up a little bit then on that theme of greater accountability internally in terms of the different components. We've had some reference made to students about greater accountability in terms of doing some type of things. I don't know what recommendations were provided by either the federation of students or individual student council groups.

But I'd be interested in some of the comments, for example, universities going through a new selection process of senior administrative people, about the role of students in that. Some universities allow students on those selection committees; others don't. Going through a new selection process for president: Some universities allow a student rep off their senate but do not have an official representative from the students. Being a former student council president—look at that as the official representation of the students even though there's representation on a senate or a board of governors.

Did your committee look at that issue about how we distinguish whether the official student representation is recognized on these types of processes of review committees or faculty review committees? I know, for example, when Western is selecting a new dean, it does have an outside review of the faculty so it has a clear sense of what type of individual it's looking for, for the new position.

Mr Broadhurst: Just a couple of observations on that, Mr Sutherland. We did have three students on the committee and we did hear from students at every university and the student groups themselves. My second observation would be that there seems to be developing a much greater acceptance of involvement of students in all these kinds of committees, sort of an evolution going on in that.

1510

I think that the formal recognition of students as members of governing bodies—in some cases they were there sort of informally because of the legislation and that. I think it's readily accepted that they have a role to play in these. The precise vehicle as to how it happens I think is still being developed in certain institutions, but personally, I thought there was a lot of development in that area towards the direction that you've indicated. I think with the representation we have now, it'll continue to grow to be appropriate representation in the various areas where you would expect student representation.

Mr Sutherland: Just expanding that, what about the other components of the university? Faculty is pretty well heavily represented in those with bicameral setups, the senate etc, but staff associations, employee representatives, those types of setups and then maybe some comment in the communities where they reside. I know some have in them that the mayor of the city is an ex officio member or the warden of wherever they reside, but what about a greater accountability to the communities that they're serving that way?

Mr Broadhurst: You sort of hit on two different areas. One is the staff groups themselves, the non-academic staff, if I could use that—there are a number of recommendations related to them on page 69 of the report. They are becoming more and more involved in governing processes in committees. One of their problems was the issue of being allowed time to participate. That's addressed in the report.

I think the case of representatives of the community in the sense of a mayor or that, we did see that in Waterloo and I think we saw it in Lakehead. We see that as part of this representative nature. If it looks appropriate that there be municipal representation at the official level, then I think that would develop out of trying to be as representative as possible in looking at your issues. For instance, you take a university like Brock in the Niagara Peninsula. It serves quite a few communities around there. It may be a little difficult to decide whether official municipal representation would be useful or not, or how, but we see the universities with the ministry developing protocols to make sure that the boards are properly representative of the interests of the community, whichever way seems most appropriate.

The Chair: We unfortunately have run out of time and I would like to turn to the auditor, who would like to make a couple of comments on something that came up during Mr O'Connor's comments. We might wrap up with that.

Mr Peters: Just very quickly one of the items in the deliberations of this committee that may be important in coming to a conclusion from this: There is no doubt in my mind, not for one second, because it says so in my act, that my client is the Legislative Assembly. I'm a legislative officer.

One of the concerns we have to face is that the university community is used to having auditors where the board or the senate or the governing body, whatever, is their client and therefore they report to them. I sense, in the way the report is couched and dealing with the protocol as a particular area, one in which they're trying to deal with this relationship. In other words, I owe an accountability to the Legislative Assembly and not necessarily to the board, so they feel some mechanism has to be put in place to rein me in, so to speak, to ensure that I will not report to the Legislative Assembly something that could be attacking the autonomy or the independence or the method which they use in researching. This is why I think this may very well be the motivation—and if there's an additional comment necessary, I'd invite it—for keeping it out.

This is really one of the impasses we are finding ourselves at with this committee, because this committee, on behalf of the Legislative Assembly, represents, so to speak, the board of directors of the Legislative Assembly. I'm a shareholder, so you are the board of directors. It is really for the committee to deal with this particular issue as to how far we want to go down the line in imposing this regime or how much of a chance we want to give to the proposal that is being made by the task force. Nevertheless I cannot overemphasize, and I'm looking at Dr Pascal particularly, something has to happen to give the ministry the tools to deal with this situation as well.

The Chair: I think we've come to the end of our time for questions.

Mr O'Connor: Do they have a closing comment?

The Chair: I'd like to turn to the deputy minister to suggest that if you want to make a few closing remarks, this would be the appropriate time.

Dr Pascal: I'll end where I began this morning, and that is that I hope in a sense these remarks won't be finally conclusive but simply a recess, because I personally would hope we can come back, once the minister has had a chance to receive further input, to discuss with Mr Peters some of the options.

I would simply say, I know from my point of view, and I think I speak as well for the minister, that we want to develop an effective solution. I must say, from listening in on the discussion, some of the generic characteristics of that solution are in sight. I don't see anyone who is suggesting that strengthening in a major way the local boards and the governing structure there is the wrong way to go. There seems to be lots of consensus around that.

I think everyone would agree that the minister's solution that he discusses and that is decided in this place is one that has to be and have the perception of being independent and effective in that regard. I think Ms Poole's and Mr Tilson's comments around those lines are really important for the minister to hear and to evaluate as part of the preparation of an effective response to the report, and that this independent and external evaluation of the local evaluation mechanisms—because we're talking about an external, independent and effective evaluation or quality assurance mechanism of a strength in local framework and mechanisms—and that the intent of the efficiency and effectiveness expectations are on value for money, that this is something everybody wishes to see happen.

How it happens I think is where there are some lines that have been drawn. I would assume that my minis-

ter—and certainly in advising him I would want to ensure that the solution has a very good measure of respect for academic freedom and institutional autonomy on the one hand, and on the other a real opportunity for ownership from the system, because unless there's ownership from the system as part of this process—getting back to the word "effectiveness" at the beginning of this—finding an effective solution, there's going to be some difficulty. So obviously we will all want something that we perceive will work well, and I think the report, and as importantly or more importantly, that the discussion around the report today has been extremely helpful as we listen in and then report back to Mr Cooke.

We look forward to coming back, and between now and then to have some ongoing discussions with our colleague Mr Peters and constituent groups within the university system.

I have a fairly strong sense that there's enough common ground that we probably can all get to yes in a way, as I've suggested, that will work, because we're all joined in that objective.

The Chair: I'd like to thank you, and I'd just add this comment that we as a subcommittee of this committee would then return to that as an issue to be determined with respect to time lines and when we might deem it necessary to call you back and have an opportunity to go through that with you.

I think it might help in the meantime if our researcher, Ray McLellan, would correspond with you, and if you could send some correspondence updating him as to the status of the work that's been undertaken and at some point then we would be able to assess the situation with regard to how much time is necessary and then review that at that point in time.

I think it would take us some time past the fall before we would probably revisit that question. I'm judging what the subcommittee might do, but I think we would deliberate on that at that point and then get back to you in that way.

I'd like to thank you. I'm sure it's been enlightening, informative and very thorough for all of us. Thank you very much.

To members of the committee, we will be going in camera to do a couple of things that are still on our agenda, so I think we will adjourn at this point and carry on the rest of the afternoon with our in camera session.

The committee continued in closed session at 1520.

CONTENTS

Thursday 16 September 1993

University accountability P-301

STANDING COMMITTEE ON PUBLIC ACCOUNTS

*__Chair / Président:__ Cordiano, Joseph (Lawrence L)
*__Vice-Chair / Vice-Présidente:__ Poole, Dianne (Eglinton L)
*Callahan, Robert V. (Brampton South/-Sud L)
Duignan, Noel (Halton North/-Nord ND)
Farnan, Mike (Cambridge ND)
*Frankford, Robert (Scarborough East/-Est ND)
Hayes, Pat (Essex-Kent ND)
Marland, Margaret (Mississauga South/-Sud PC)
*Murphy, Tim (St George-St David L)
*O'Connor, Larry (Durham-York ND)
Perruzza, Anthony (Downsview ND)
*Tilson, David (Dufferin-Peel PC)

*_In attendance / présents_

Substitutions present/ Membres remplaçants présents:
Cunningham, Dianne (London North/-Nord PC) for Mrs Marland
Hope, Randy R. (Chatham-Kent ND) for Mr Hayes
Martin, Tony (Sault Ste Marie ND) for Mr Duignan
Sutherland, Kimble (Oxford ND) for Mr Perruzza
White, Drummond (Durham Centre ND) for Mr Farnan
Wiseman, Jim (Durham West/-Ouest ND) for Mr Hayes

Also taking part / Autres participants et participantes:
Pascal, Dr Charles, deputy minister, Ministry of Education and Training
Peters, Erik, Provincial Auditor
Task Force on University Accountability:
Broadhurst, William, chair
Lang, Dr D.W., member, steering committee and chair, subcommittee on performance indicators
McIntyre, Gerry, Ministry of Education and Training observer

Clerk / Greffier: Decker, Todd

Staff / Personnel: McLellan, Ray, research officer, Legislative Research Service

CA2ON
XC21
-P17



P-17

ISSN 1180-4327

Legislative Assembly of Ontario

Third Session, 35th Parliament

Assemblée législative de l'Ontario

Troisième session, 35e législature

Official Report of Debates (Hansard)

Thursday 14 October 1993

Journal des débats (Hansard)

Jeudi 14 octobre 1993

Standing committee on public accounts

Comité permanent des comptes publics

Annual Report, Provincial Auditor, 1992: Ministry of Health

Rapport annuel, Vérificateur provincial, 1992 : ministère de la Santé

Chair: Joseph Cordiano
Clerk: Todd Decker

Président : Joseph Cordiano
Greffier : Todd Decker

Published by the Legislative Assembly of Ontario
Director, Hansard Reporting Service: Don Cameron

Publié par l'Assemblée législative de l'Ontario
Directeur, Journal des débats : Don Cameron

Hansard on your computer

Hansard and other documents of the Legislative Assembly can be on your personal computer within hours after each sitting. Sent as part of the television signal on the Ontario parliamentary channel, they are received by a special decoder and converted into data that your PC can store. Using any DOS-based word processing program, you can retrieve the documents and search, print or save them. By using specific fonts and point sizes, you can replicate the formally printed version. For a brochure describing the service, call 416-325-3942.

Index inquiries

Reference to a cumulative index of previous issues may be obtained by calling the Hansard Reporting Service indexing staff at 416-325-7410 or 325-7411.

Subscriptions

Subscription information may be obtained from: Sessional Subscription Service, Publications Ontario, Management Board Secretariat, 50 Grosvenor Street, Toronto, Ontario, M7A 1N8. Phone 416-326-5310, 326-5311 or toll-free 1-800-668-9938.

Le Journal des débats sur votre ordinateur

Le Journal des débats et d'autres documents de l'Assemblée législative pourront paraître sur l'écran de votre ordinateur personnel en quelques heures seulement après la séance. Ces documents, télédiffusés par la Chaîne parlementaire de l'Ontario, sont captés par un décodeur particulier et convertis en données que votre ordinateur pourra stocker. En vous servant de n'importe quel logiciel de traitement de texte basé sur le système d'exploitation à disque (DOS), vous pourrez récupérer les documents et y faire une recherche de mots, les imprimer ou les sauvegarder. L'utilisation de fontes et points de caractères convenables vous permettra reproduire la version imprimée officielle. Pour obtenir une brochure décrivant le service, téléphoner au 416-325-3942.

Renseignements sur l'index

Il existe un index cumulatif des numéros précédents. Les renseignements qu'il contient sont à votre disposition par téléphone auprès des employés de l'index du Journal des débats au 416-325-7410 ou 325-7411.

Abonnements

Pour les abonnements, veuillez prendre contact avec le Service d'abonnement parlementaire, Publications Ontario, Secrétariat du Conseil de gestion, 50 rue Grosvenor, Toronto (Ontario) M7A 1N8. Par téléphone : 416-326-5310, 326-5311 ou, sans frais : 1-800-668-9938.

Hansard Reporting Service, 481 Legislative Building, Toronto, Ontario, M7A 1A2. Phone 416-325-7400. Fax 416-325-7430

STANDING COMMITTEE ON PUBLIC ACCOUNTS

Thursday 14 October 1993

The committee met at 1016 in room 228.

ANNUAL REPORT, PROVINCIAL AUDITOR, 1992

MINISTRY OF HOUSING

The Vice-Chair (Ms Dianne Poole): Good morning. I'd like to open this session of the standing committee on public accounts. Our sole agenda item this morning is non-profit housing, Ministry of Housing, section 3.12 of the Provincial Auditor's 1992 annual report.

Normally, when we are compiling a draft report we hold the session in camera, but as we are actually beyond that stage and now, hopefully, at a final resolution of this particular report, unless there are objections from any caucus, I will proceed in open session.

You should have before you—I believe it was sent out late last week to each of the offices—a response from the Ministry of Housing dated October 4, addressed to Mr Todd Decker as clerk of the committee, and there are a number of appendices attached to that particular letter from the ministry. In that letter from the ministry, which is labelled exhibit 2/05/027, you will note that the ministry has provided the targets and time frames that we requested subsequent to our last meeting.

I'm going to open the floor. Any comments?

Mr Joseph Cordiano (Lawrence): I think we should proceed by having Ray take us through some of this and do a synopsis for us of what he was able to gather out of this, and perhaps have the auditor comment as well. I think it would be useful to catalogue and go through the series of initiatives that have been undertaken in terms of an action plan and how that relates to what we asked for. I think that would be the best approach to use.

The Vice-Chair: That seems like a reasonable approach. Ray, would you like to first of all take us through the procedure? As members will recall, we sent the draft report to the ministry for a response. There was a response which we didn't deem adequate because it wasn't in the format we required to answer the questions we had asked, nor did it include the dates and time frames we had requested. Ray had sent a letter to the ministry requesting this information, and we're now at the stage where the ministry has responded.

Mr Ray McLellan: Thank you very much, Madam Chair. I'll certainly await the auditor's comments on this letter of October 4 from the Ministry of Housing in addition to some of the brief comments I have.

As the Chair indicated, essentially what we're doing is trying to get a response from the ministry with respect to time lines on our recommendations and in turn its responses. We wanted some elaboration on where the ministry would be going on each of the recommendations and specific dates along the way as to when it would be achieving various aspects of its action plan.

Maybe I could take a few minutes and highlight some of the critical areas in this letter of October 4 to the clerk of the committee. There was some discussion by the ministry of its Jobs Ontario Homes program and the various objectives the ministry is attempting to achieve. They've outlined those objectives on the bottom of page 1 and on the top of page 2 of the letter to the committee.

The first recommendation the ministry deals with is recommendation 3, to do with development costs. In that response, the ministry said to us in July and again in October that there will be a new process to track information. In other words, they would be developing—

Interjection: There's a raccoon.

Mr Stephen Owens (Scarborough Centre): It's non-union labour.

Mr Gilles Bisson (Cochrane South): Let the record show that there is a raccoon in our proceedings.

Interjections.

The Vice-Chair: With the social contract we couldn't afford any labourers, so we had to import a few. Sorry, Ray; it's not that we're not taking you seriously.

Mr McLellan: No, I know. There are other items of interest in here today.

To continue, recommendation 3 was the first item the ministry has dealt with; that's item 1 at the bottom of page 2. I could read our recommendation; maybe that would be a helpful way to go about these proceedings. Our recommendation 3 was as follows:

"The Ministry of Housing should develop a comparative model of the non-profit program to assist in program management and future audits. The methodology should permit management to compare completed projects and those in the development phase on a consistent basis and to report on cost-effectiveness on an ongoing basis. Projected development costs and final capital costs or 'actuals' should be maintained on a project basis, with reference to the three main cost components of land, construction and soft costs which would include insurance, for example."

The ministry has outlined on the bottom of page 2 what it hopes to be doing with respect to developing a system to track information on these specific figures in

a comparative format. There is discussion also of two current systems that are under development which will accomplish this task. They list those on the bottom of page 2, "the non-profit budget review system" and "the non-profit 1414 evaluation system, which will track/compare/analyse the capital costs." Then the ministry goes on to outline its action plan: "The action plan for the development of the comparative model will be available in early 1994."

Should we stop there and allow members to comment?

The Vice-Chair: I would think if we have the auditor comment on that particular section as we go and then members comment, it may be less confusing than going through the entire thing and then going back and forth.

Mr Erik Peters: Gary Peall, who is with me, has gone in detail through the document because he was responsible for the audit and has prepared a little bit of a report. Overall, there's a time frame now indicated for all the action they have, and it's not an unreasonable time frame, considering the social contract and other constraints that the ministry finds itself in. Nevertheless, there are two or three areas of concern that remain.

The first one is really dealing with the issue of the operating agreements. The indication is that for the co-ops they will have operating agreements in place in March 1994, which is much later than they had previously indicated, and for the private and municipal projects only by December 1994, 14 months from now. This seems to be a much more long, drawn-out process than we had been given to understand when we conducted the audit and than the committee had been given to understand at previous appearances by the ministry, so this is one area of concern: the timing of completion. They may very well be realistic, but judging by the number of units out there, not to have agreements covering the operations would be of concern. We wanted to raise that with you.

Ms Margaret H. Harrington (Niagara Falls): Just for clarification, you said the co-op agreement was March 1994 and the non-profit was when?

Mr Peters: December 1994. That's an extrapolation we made from their response where they said 14 months from now. Most of the co-ops will be by December 1993, so around the corner, but the private and municipal, they indicate in their response, 14 months to go from the date of this letter; we had extrapolated that to be by the end of 1994. That is certainly one area of concern.

The second area of concern: It's more within the purview of the committee to address the issue rather than us from an audit point of view, but we raised the question of relating the needs analysis to the buffer. The buffer, as you know, was referred to by the ministry in its response to our audit report a year ago. They indicated that they were going to continue constructing a buffer in order to overcome potential shortcomings of non-profit housing in the future. At the last meeting at which we had the ministry before us, it indicated to the committee that it had a new methodology in place to analyse and develop need and demand for non-profit housing. Part of the question the committee included in its request was a question I had raised: to relate the new model of dealing with need and demand to the construction of the buffer, whether it had a particular impact.

The answer we have is that no, it does not. The policy—this is a policy issue and I'm just putting it on the table as such, without any comment by us at all—is to continue to build units above immediate need, as I understand the interpretation. That is for the committee to discuss, not for us, but it is a question that is before you and you might want to deal with it.

Essentially, the third issue is that when we look at the overall completion date for introducing these matters, if it were in your mind to ask my office to go back in and take a look at the situation in housing, probably the earliest date I would foresee this being effective and cost-effective, judging by the timetable and the action plan that is here, would be about a year from now, in the fall of 1994.

Mr Cordiano: Sorry, can you repeat that?

Mr Peters: The most useful time to go in, from an audit perspective, taking their action plan and timetable into consideration, would be to go back in about a year from now.

Finally, as a concluding comment, I merely mention this to you. As you know, there was a bit of debate going on as to whose model was right as to past cost. It seems, from the response and the way things are going, that that issue has passed. We were going ourselves, within our ordinary rotation, at one stage or another. I'm not sure we can commit ourselves to go in within the year, but certainly we look forward to being able to complete our audits without having to build models; that we're able to obtain actual cost numbers from the ministry without having to guess or use statistical sampling or other sampling techniques or modelling techniques, such as they did and we did.

I felt that was not a very productive way for the committee and for the Legislative Assembly to deal with these issues. We are really looking forward to have the ministry in sufficient shape to know, bluntly, where it has been and where it is going in terms of construction cost of units and costs of units.

1030

The Vice-Chair: We've actually adjusted the format somewhat. I probably wasn't clear enough. I had thought that Ray could go through the report recommendation by recommendation and at that time the auditor

would comment only on that recommendation. But since the auditor has given us a number of his concerns, I suppose we should continue with that. We have Mrs Marland and then Mr Cordiano on the list.

Mrs Margaret Marland (Mississauga South): I agree with you, Madam Chair. We should still continue—

Interjection.

Mrs Marland: I haven't spoken yet.

The Vice-Chair: Until the committee gives me a different direction, I was just going to take the questions in a fairly informal way: first come, first served. If you prefer to do it by caucus rotation, we can certainly do that.

Mrs Marland: I agree with—

Mr Cordiano: I was just saying that we do it normally that way. Don't make an issue out of it. It's not an issue.

The Vice-Chair: Mrs Marland?

Mrs Marland: I agree with your suggestion, Madam Chair, that we do go back and let Ray continue taking us through on the next points. I think that on the first part, though, there are just some questions that I have to the auditor based on his beginning response.

The Vice-Chair: Now, this would be on the developmental costs? I just want to be clear. You're referring to what Ray spoke to or the auditor's comments?

Mrs Marland: Both. The main question we have is that the government is in the housing business and we need to know how much it's costing the people of this province. So in answer to the questions that have been raised since the auditor's report of last year, we're now getting, as I understand, some answers from the ministry, which is what this document represents. But, you know, it's interesting, if we're told that even these operating agreements, which have been of tremendous concern to the auditor and then to us since he brought this to our attention—we're now looking at some of them still not being available until March of next year, which is, what, a year and a half since the concern was identified by the auditor. Then, even worse than that, we still have some operating agreements that aren't going to be ready until another year, 14 months from now.

Frankly, if that really is the answer from the ministry, that it can't have operating agreements in place until December 1994, then I think we've got to stop right here and decide whether that's something this committee will accept, because I don't accept the answer that it's because of the social contract. I think we're going to find around this province not only this government but every level of government saying, "Well, we can't do this, this and this because of the social contract."

The social contract doesn't mean there isn't any money at Queen's Park to do anything, and what has to happen at Queen's Park is that the government has to prioritize with the money that it has, and I don't think you allow a business component of the government, and housing is a business component of this government, to carry on without its operating agreements in place. It's like saying, "Go and do your thing, folks; tell us 14 months from now that you're willing to have everything down in writing and we will know exactly what it is that you're doing in that particular development," because that's when the operating agreement will be in place.

For me, that's bad enough, to have that void, but what compounds it, as far as I'm concerned, is that while all that is going on and we have this deferred deadline now of when we are going to get the complete information about how the government does its housing business, we still have the government enlarging this business it's in of affordable housing, so-called. It's questionable whether it's affordable at $319,000 a unit, as in some examples my leader, Mike Harris, has been indicating.

We're into a situation, by this response that Ray is starting to take us through this morning, that, as far as I'm concerned, is not an adequate response from the ministry. It's not good enough for me to understand that while they're talking about putting these review systems in, we still will not know—we're talking about, on the top of page 3, where the action plan for the development of the comparative model will be available in early 1994.

What I want to know is how much the government's housing program is costing the taxpayers of this province and why they are prepared to let some of those programs continue without operating agreements until the end of next year, which is 14 months from now and will be almost two years, I think, if I'm correct. If I'm wrong, Mr Peters, correct me. Is December 1994 two years after your department identified that there was a question about value for money in that particular ministry's program? It was the fall of 1992, wasn't it?

Mr Peters: That's right. That's correct.

Mrs Marland: So we're talking about perhaps two years and three or four months. We're talking perhaps 28 months since the auditor identified, first of all, the question of $200 million, where did it go, and secondly, how much is this program costing?

As a member of this committee, I don't think I can sit here with all the politeness of us referring a report to the ministry and the ministry responding to the report, and yet the bottom line is that we still don't know what's going on. We don't know today what this program is costing the people of this province. In some cases we're saying, "Continue whatever you're doing, because we may not have your operating agreement signed and available until December 1994." Frankly, I

don't think that's good enough.

The Acting Chair (Mr Stephen Owens): Are you finished, Margaret? Okay, Joe.

Mr Cordiano: Thank you, Mr Owens—Mr Chair.

The Acting Chair: "Steve" will do.

Mr Cordiano: The presiding Chair. The two fundamental issues the auditor has pointed out have to be dealt with in order for us to complete the report. They are the most fundamental issues because—let me deal with the second one first: the question of the buffer.

This is not a policy area, as far as I'm concerned. This is not a question of policy; this is a question of efficiency and effectiveness related to the marketplace. If you ignore that demand and need are a function of efficiency and how you relate to that question of how the ministry fulfils the need, if there is a need, then you simply ignore all economic consideration in fulfilling the need they've identified for a buffer.

If you're going to build units and undertake demand analysis studies and develop a model to do that, which it seems the ministry is undertaking, and then understand that what comes out of that analysis is a verifiable number determining what the demand will be and what the needs are in the community so you have a set requirement, if there is no demand and there is no need in certain communities and then you turn around in the same breath and say, "But on the other hand, we're going to build a buffer for some future need and some future demand," that cannot be justifiable in economic terms, as far as I'm concerned.

1040

So this is not a policy question. This is a question that very much involves the whole area of economic efficiency, which is after all what we're after in this committee. You cannot justify the creation of a buffer in the absence of demand for this product, because that, after all, has to be the true test of whether there is a true need for this type of housing. If there isn't a need, and that is, as the ministry has stated, determinable by the very fact that there is a model that's created to estimate what that need is, given certain sets of parameters—I'm not suggesting for a moment that you can identify what need is in its exactitude. There is some variance there. But to this point we have not seen the ministry conduct or undertake that sort of approach to determining the question of need or demand in a community.

The question of a buffer then suggests that this is very much a policy decision on the part of the government to simply build as many units as can be built, given a certain level of funding that it deems to be available for the construction of these units. That number is determined quite apart from any economic consideration. That number is determined as a political consideration, as a policy statement of the administration.

Where the two cross over on this committee I think is exactly at that point, where it becomes economically inefficient or unjustifiable in an economic sense to determine what the demand is and if in fact a buffer is justifiable, given that there is no demand or there is no need. I'm not suggesting that that's the case in every area, but what I'm saying is that we don't have, to this date, a way of determining what the demand is in a number of communities. I think if you're looking at Metro Toronto perhaps you can estimate what the demand will be quite easily. On the surface of it, just by looking at it, you can suggest that there is a need for some affordable housing, for a certain level of affordable housing. What that level is has to be determined. Then you look at other communities where there are vacancy rates that are quite high now; is there a need for that type of housing? And if there is no need, then why are we building a buffer?

So this is the kind of question that I think needs to be resolved, because it speaks to the very heart of the matter about building a buffer. Building a buffer cannot be related back to demand and need. It just tells me that the ministry has decided to allocate 20,000 units, a number it picked out of thin air. Consequently, we're spending a whole lot of money that, to my mind, cannot be easily justified.

That is the first fundamental question that is of great concern to me, and I could not go along with a report that says we're satisfied at this point that the ministry understands that need-and-demand relationship as it deals with the question of economic efficiency and where you allocate units in the province related to that real need and demand. It certainly hasn't been proven, not in this document, and certainly hasn't been related in any other document previously. That's the first issue. I'm not satisfied that the ministry is committed to being efficient and to allocating units on the basis of a model that can be justified economically.

The second issue is operating agreements. I'm going to comment briefly on that, because I think we need to understand what it is that has prevented the ministry from setting up agreements in a timely fashion.

Ms Harrington: On a point of order, Madam Chair: I appreciate the members going into these issues, especially the operating agreements, but it was my understanding that this member in particular suggested that the clerk take us through this document. Before we go into further details, I believe we should have a look at this document—hopefully, it will only take us 15 minutes or so—so we can have a full discussion.

Mr Cordiano: That's fine, but I was talking about the two points that the auditor had indicated were fundamental. I agree, and these are points I've raised in numerous meetings, so perhaps I could finish this and then we could go through the document.

Point 14 in the report indicates that the ministry has

time lines set with regard to operating agreements. We may want further clarification from the ministry on the reasons it could not have these operating agreements in place prior to this. There isn't an adequate explanation about operating agreements in this document. That's all I have to say about that.

The Vice-Chair: We have both Mr Bisson and Mrs Harrington on for questions. As we have heard from two caucuses, I think we'll hear from Mr Bisson. Then we'll move to Ray's briefing, and I would suggest that we do recommendation by recommendation; Ray can brief us on what our recommendation was, what the ministry's response was, then we'll entertain questions or comments from the members and then go on to the next recommendation, in that order, if that's acceptable.

Mr Anthony Perruzza (Downsview): Why don't we go through all the recommendations and then question or comment on all of them in a group as opposed to going through them individually? We can jot down our own notes as we go through them, and while someone has the floor, why shouldn't they be permitted to address each and every one of the recommendations they choose to address? I think it would expedite the matter.

The Vice-Chair: I guess it's a matter of process and how it's most efficient.

Mr Bisson: Can I be helpful? We started with a process and somehow got diverted. With sympathy for the Chair, there were a number of issues raised by both the Conservative and Liberal caucuses that I think need comment from the government members and from the ministry, and I'd like to get it on the record. Then we can move on and do exactly what you had in mind. I'm not going to take more than three or four minutes to try to get a couple of things straight.

First of all, I would remind members of the committee, both opposition parties, that the management process in place within the Ministry of Housing is a management process that was developed over a period of years, under both Conservative and Liberal administrations. If we're going to criticize, I think we need to look at ourselves a little, because we all at one point had very direct control over the policies of the Ministry of Housing and how the ministry actually did its business. It was when this government came forward in the Ministry of Housing to put a little more accountability into the system that really brings us to where we are now.

I'd like to speak both on the question of the buffer that Mr Cordiano raised and on the question of the operating agreements that Mrs Marland raised.

On the operating agreements, we're well aware that in the past there were no operating agreements. Operating agreements were never called for within the Ministry of Housing on any non-profit or co-op housing project. The way we as government, and both Liberal and Conservative governments before us, assured ourselves that public dollars were being spent wisely was by giving them budgets every year and going through the budgets line by line and item by item and saying, "This is where you've got to do better," or, "This is where you've got to be able to operate your units accordingly." To a certain extent, there was an accountability in the system by virtue of having to go through the budgets every year.

1050

It was this government that came forward, through the present Minister of Housing, and said we needed to go towards operating agreements as further checks and balances in the system, to make sure that indeed the taxpayers were getting a fair bang for their buck when it came to operating both non-profit and co-op housing. The idea of the operating agreements was exactly what the auditor called for.

One reason it has taken a bit of time to put forward is that operating agreements are a new thing in the province of Ontario. It has taken some time to sit down with the various groups out there, both non-profit and co-op, to negotiate what should be inside an operating agreement.

There's a recognition that there's some concern about making sure there's more accountability than what was afforded by the Ministry of Housing about those groups under previous governments. This government is addressing that and saying we need to go to operating agreements. It is going to take a bit of time to put forward, because we need to be able to negotiate what's in an operating agreement to start with.

I hear what the auditor has said and take that advice for what it is. Yes, we understand and we are moving forward.

On the question of buffers, this is really an interesting one. I look in my community of Timmins, where we built 205 non-profit housing units, both co-op and non-profit, from about 1990 to about 1991-92, because there hadn't been any built in a long time and there was a big, pent-up demand. The Ministry of Housing still refuses at this point to build—my little plug to the Ministry of Housing—any new units in that particular community because of the numbers of the CMHC in regard to how it looks at vacancy rates. I can tell you, having gone to a number of non-profit housing units and co-op housing units in my community, they fill up very quickly. There is a demand. There's a waiting list. I've got people coming into my constituency office trying to get into these units because they offer affordable housing units that are quality units at the same time.

Mr Cordiano raises the question of the buffer. What the ministry is trying to do around the buffer—it's a bit of a new term—is to take a look at the demand and the need of housing not just in the short term, saying,

"What do I need today?" or "What did I need yesterday?" but to take a look over a longer period, 20 or 30 years. We need to make sure we have in our housing stock the required amount to meet the needs of not only today but where we're going to be a little further down the road.

If you look at most non-profit and co-op housing projects across the province—I'll speak for Timmins, Iroquois Falls and Matheson: There aren't any vacancies. We can build another 150 units in that community and they would fill quite easily, because most of the need has been met by basement apartments that are, in some cases, fairly substandard when it comes to housing that's available to people.

Mrs Marland: Those are the apartments that your government wants to encourage: basement apartments.

Mr Bisson: Well, we can get into that debate. What that particular legislation is about is allowing that to happen but having certain regulations and making sure that municipalities have the right to inspect, because now, as you know, Mrs Marland, if I own a basement apartment or want to build one, I can basically tell the inspector to take a hike. The legislation will ensure that the municipalities have some power to send their inspectors in to make sure those particular units at least meet some minimum requirements.

I would finish by repeating very quickly three things. The system we have in place as of 1990-91 was built over a period of years by both previous governments, so if we're going to start pointing fingers, we need to look at ourselves to a certain extent. It is the Ministry of Housing today, under this government, that is moving on the operating agreements, because we recognize it's something we need to do. It's not going to happen overnight. It's going to take a little time to put together, because it is something—

Mrs Marland: The Conservatives didn't spend $319,000 on one unit.

The Vice-Chair: Mrs Marland, Mr Bisson has the floor.

Mr Bisson: It is going to take some time to put together by virtue of having to negotiate what's in those operating agreements with both non-profits and co-ops. As for the question of buffers, we can get into a long debate about what the actual need and demand is in our communities, because if I look at CMHC numbers they're quite a bit different from what the actual demand is. I think we need to put that into some perspective.

Mrs Marland: On a point of order, Madam Chairman.

The Vice-Chair: Mrs Marland, if it is a matter—

Mrs Marland: No, it's a point of order.

The Vice-Chair: I will recognize the point of order until such stage as I decide it's not a point of order.

Mrs Marland: Did the deputy minister tell us when he was before this committee that all the operating agreements would be completed this year, within a few months of the time he was here? Am I recalling that correctly?

The Vice-Chair: Although that is not a point of order, I would suspect that it is information that would be valuable to the committee. Mr McLellan, would you like to comment?

Mr McLellan: I don't have the documents before me and I'm not on the estimates committee, but I believe last summer the deputy minister did indicate it would be September of this year. I'd have to go back and pull out the estimates. That's my recollection, speaking with people on that committee.

Mrs Marland: I have to wonder what's happened, now that it's not September of this year but December of next year.

The Vice-Chair: I actually was a member of the estimates committee at that time. My recollection is that it was the fall of 1993 when they anticipated they would have the co-op agreements in place, but I don't have the Hansard with me.

Mr McLellan: I can check that.

Ms Harrington: On a point of order: Unfortunately, we don't have someone from the staff of the Ministry of Housing to answer the question of why. Seeing that that person isn't here, I'm wondering if we could proceed through the document we have. Certainly they may want to answer that question.

Mrs Marland: Maybe have them come to another meeting.

The Vice-Chair: As the operating agreements are dealt with under item 14 and there were several comments also about the buffer, which are dealt with in item 16, I'm going to suggest that we go back to our format. I talked to our researcher, Ray McLellan, and he had indicated that probably what would be helpful for the committee and from his perspective would be to go through the recommendations individually, and then just make a decision at that time if there is any further action needed or if we agree with the actions of the ministry. Some of them may go extremely quickly because the ministry has satisfied our concerns and others may require some debate.

Mr Cordiano: On a point of—

The Vice-Chair: Whatever.

Mr Cordiano: Not really a point of order but a point of clarification, trying to be useful. I don't mean to short-shrift Ray's efforts, and I think we should do as you suggest. I just want to say this: Having gone through the document, and we may decide to do this anyway, there are really only those two issues to deal with that are of fundamental consequence.

The others have been dealt with by the ministry. I'm satisfied that there is indeed some initiative in regard to the recommendations that we've made. I can agree with what the ministry has stated with regard to all the other questions. I'm satisfied that they are taking the necessary steps, and the time lines are adequate as far as I can see. There is an effort being made on behalf of the ministry to set some things in motion that I think are satisfactory to myself.

The other two questions are really where we part company as far as what I can agree with. I'm not satisfied on those two matters that the auditor has raised, and I think those run consistently throughout the hearings as being a fundamental difference of opinion between the ministry and myself, anyway: a buffer and the operating agreements time lines. I think there is some question about that.

Unless we deal with those two items and come to a resolution, we're going to have a difference of opinion that I think is quite fundamental and will have to be dealt with before we sign off on our report.

The Vice-Chair: If there is consensus that on the first 13 items in the Ministry of Housing's report the committee is satisfied with its response and the action taken at this time, I'm quite prepared to go directly to item 14, but I would like a consensus that there isn't anything to raise on the other matters.

Mrs Marland: No, I'd like to go through it, and as we go through it I'd still like to give Mr Peters the opportunity to comment. That's what this committee is about.

The Vice-Chair: I did ask the auditor if he had any comment on the first 13 items and he did say not really, that his comments were more on items 14 and 16. But if the committee wills it, I would suggest we go through each one, and we'll deal fairly quickly with some of the ones on which there's consensus.

Mr Cordiano: Whatever you want to do is fine.

Mr Bisson: If the opposition parties are saying they're okay with everything but two items, let's move to the two items we want to deal with and save ourselves a lot of—

The Vice-Chair: I think Mrs Marland indicated she has comments on the others.

Ray, would you like to go back? I think you had completed recommendation 3, other than comments or any discussion from members.

1100

Mr McLellan: I'll try to move along reasonably quickly, if I can. On item 2 on page 3, recommendation 4, I wanted to say that the committee did not submit recommendation 4 to the ministry for comment because that dealt with a follow-up audit by the Office of the Provincial Auditor. I should just go back, in terms of the report, also to recommendation 2. We did not submit recommendation 2 to the ministry. I should get some indication from the committee how I'm going to deal with these recommendations. I'll just read them quickly. This may be one of the areas where you want me to restructure the report. These two recommendations were not submitted:

"2. The Provincial Auditor should conduct a follow-up audit on the supplementary information, including actuals, to be submitted to the committee by the Ministry of Housing on non-profit housing units for the period 1989-91. The audit should establish the final costs and mix of non-profit residential units, and the differentials between actual costs and the maximum unit price."

As I just mentioned, recommendation 4 was not submitted, dealing with follow-up audits. It reads as follows:

"4. The Provincial Auditor should conduct a follow-up audit on the supplementary financial data on the actual program costs and the unit inventory requested from the Ministry of Housing. Also, the audit should address the ministry's information in the comparison of costs between the public and private sectors, subject to the availability of data."

Whether or not the committee wants to set these two recommendations aside and deal perhaps with a consolidating recommendation at the end, saying that the Provincial Auditor would be requested to go in, I believe he had indicated in the fall of 1994, whether or not we want to deal with that issue now—if we do, we'll just delete recommendations 2 and 4.

Mrs Marland: Why didn't we submit those two?

Mr McLellan: The committee decided not to submit them because it was dealing with a follow-up audit.

Mrs Marland: Okay. As far as I'm concerned, they're two of the most relevant and important recommendations of this committee.

Mr McLellan: I guess the committee felt we should hold those back, and that's what we'd deal with.

Mrs Marland: That's fine.

Mr McLellan: I think it was more of an informational mission we were on, with trying to gather—

Mrs Marland: What I'm saying is they are—

Mr McLellan: Important.

Mrs Marland: Very important. I understand your answer, why we didn't submit them with these others, but they have to be a very important part. I don't care if you put them together and reword them in one recommendation, but as far as I'm concerned, that's saying to the ministry, "We want to know the cost of doing business, this business that you're in."

The Vice-Chair: The auditor has a comment.

Mr Peters: Just a very brief one: On recommenda-

tion 2, we had a lengthy discussion. The ministry had identified something close to 90 person-weeks to determine the information for the years 1989-91, to get this. I at the time made the suggestion to the committee to maybe relent on this one and let them focus on developing a system so they knew what was going on in terms of costing at the present basis. That was the reason for deleting number 2, whether it was worth spending that kind of effort to go into the past, and to resolve which of the models was right based on actual expenditures. So we worked from an audit perspective.

With your indulgence, I would prefer to take a look at the costing system they have in place now, how they know now what it costs them by project and how they are controlling cost now, rather than taking resources out of them, 90 man-weeks, to determine whether they were right or wrong in the past.

Mrs Marland: Does that mean then, Erik, that we'll never know what that program cost for those four years?

Mr Peters: We have accepted that they don't know. Yes, we would not know.

Mrs Marland: So the only way we'd know what that program cost for those four years would be to invest in this 90 person—what? How long did you say?

Mr Peters: It's 90 person-weeks.

Mrs Marland: In other words, the only way we can find out how much the program cost from 1989 to 1993 is by their spending some money?

Mr Peters: I'm just being informed that they have informed us that they are going to work on this project anyway.

Mrs Marland: Oh, they are going to find out the program costs from 1989.

Mr Peters: Yes, and they hope they have an answer by December 1993.

Mrs Marland: That's fine.

Mr Peters: It's just a question of what we do as far as the audit process is concerned.

Mrs Marland: Okay. So they're going to give us their figures about what they think the program has cost in those four years by the end of this year.

Mr Gary Peall: They haven't endeavoured to give the figures, but they're going to have the data verified by the end of December, as part of getting their system ready to take on the new projects, which will be ready by, I think, about the summer of 1994. So the data should be available in verified form by December. You'd probably have to request it.

The Vice-Chair: We could make that an official request of our committee, that once the data are available, they be made available to our committee.

Mrs Marland: We've been asking for it all along.

The Vice-Chair: We have asked for it in the past, but I would think that if you make an official request, that as soon as it is available they submit it to our committee, it reinforces that we are still anxious to have it.

Mrs Marland: Definitely. When do we do that?

The Vice-Chair: At the end of our morning, hopefully we'll reach the point where we're making a decision as to further action, one of which may be to write the Ministry of Housing with outstanding items or pieces of information that we require. It could be part of that letter.

Mr Cordiano: I think that might be useful information to a point. I don't think it necessarily prevents us or precludes us from completing this report. I would not want to sit here until December to be able to conclude the report that we have before us today. That might be useful for us in an ongoing fashion, to come back to the question of, does the ministry understand historical data and does it now have a database to work from which can be useful in the future? Of course, we look at historical data and say that there were problems with it.

I think we can assume today that having operated without—I hope Mrs Marland is listening to this. I hope she would realize that having operated without understanding what true costs are is exactly why we are here today and have been analysing this question.

The fact of the matter is that the ministry did not have a good handle on costs, but we still do have aggregate sums that we can point to. We do know how much things are costing in total. We have budgets from the Ministry of Housing. The aggregate sum is at this point quite irrelevant to this issue because what we need to know is, does the ministry have a plan in place, does it have a system in place which will then give it valuable information to make decisions around what is an efficient use of moneys that are allocated for this thing? That's the point at which we have to conclude this report soon, because I say that dealing with the question of the buffer is still a fundamental question.

The Vice-Chair: One of the possibilities would be to have a recommendation that the ministry report back to us subsequent to December 1993, when it has the historical data on costing available. We could deal with it in that way if that's acceptable to members of the committee.

Ms Harrington: I think our first duty as a committee, as Mr Cordiano has said, is to get a report together, and we do have the response of the ministry. It's up to us today to affix it with the preliminary report that we had from last May and table a report and certainly come back, if you wish, to look at the information that's available in December.

1110

The Vice-Chair: If we seem to have a consensus on that issue, that we will make that request of the ministry—

Mr Cordiano: Yes, there is.

The Vice-Chair: —and that we will proceed with the report, can we go on to item 3.

Mr Bisson: Hold it. What request are we making?

The Vice-Chair: Just that when the Ministry of Housing completes its analysis of the costing information, historical—

Mr Bisson: The costing system is in place that—

The Vice-Chair: No, the auditor had said that the Ministry of Housing is currently tabulating the historical data on costing from the previous years and that it anticipated it would conclude this around December 1993. So we would just ask that once those data are available, they be submitted to the committee.

Mr Bisson: Okay.

Mr Noel Duignan (Halton North): No problem with that.

The Vice-Chair: No problem? Item 3.

Mr McLellan: The next issue is "Highest and Best Use Appraisal Value methodology. The committee's draft recommendation 5 is as follows:

"The Ministry of Housing should assess the 'highest and best use appraisal' methodology to determine whether this approach is achieving value for money in non-profit housing real estate transactions."

The ministry has come back to us on item 3 to say that the Ministry of Housing staff are in the process of reviewing current appraisal methods and that there's a consideration that the appraisal could integrate the various investigative reports required by the Jobs Ontario Homes program, and they're listed in that third paragraph, which include environmental site assessment, planning reports, geotechnical and architectural studies etc.

Then there's an action plan at the bottom of page 3 and the top of page 4, running down to the centre, as to the time line as to how and when they'll be proceeding with that review and assessment.

Mrs Marland: I have a question on this. You know what's difficult—and I think Ms Harrington has raised a good point this morning—is that we're going through the ministry response and there's nobody here to answer questions that we have on the ministry response. I have a feeling this morning we're doing this backwards because—

Interjection.

Mrs Marland: Well, you may disagree, but is it fair for me to ask Ray or does the parliamentary assistant want to answer my questions? Ray can't answer my questions about the ministry response. All we've got here is their printed response. So okay, I'll go ahead and I'll ask questions and it'll be interesting to see who can answer them.

The question that I have is this—

Mr Duignan: A point of clarification, Madam Chair.

The Vice-Chair: Mr Cordiano, and then—it doesn't exist, Mr Duignan.

Mr Cordiano: Just to be fair, Margaret, I think—

Mrs Marland: No, I can only listen to one person, so if you've got the floor I'll listen to you.

Mr Cordiano: I have the floor.

The Vice-Chair: Mr Cordiano has the floor and then—

Mr Cordiano: Thank you. That's very thoughtful of you. I just want to say that we've had the ministry before us quite a number of times and I think it was important for us that this is its final answer to us as to what action it has initiated in regard to that list we put together. This is, remember, after some considerable time that we had the ministry before us answering questions around the auditor's report and a number of other initiatives that had been undertaken by this committee.

I felt it would be appropriate to have our committee now come to a conclusion on this report, given this document that was prepared by the ministry, and this is its final assessment of what it can do in regard to the requests we made and the questions we had for it. This is basically a conclusion of that process. If we have to call the ministry back, I'm sure there'll be significant information, more information that we'll have to deal with and this process continues. So it really is a matter—in my opinion, I thought that's what we would do today.

Ms Harrington: Madam Chair, just a point of clarification—

The Vice-Chair: First we had Mr Duignan. I should just say to members that although we as a practice use points of clarification, points of information and all these wonderful terms quite often, they don't actually exist. If you wish the Chair's attention, it has to be a point of order—

Mr Duignan: Point of order, then.

The Vice-Chair: —at which stage I recognize it or don't. Mr Duignan.

Mr Duignan: Joe has said a lot of what I was going to say. We're here to consider a draft report. Normally a draft report is considered by committee, generally in camera and there's nobody else in here, only the committee, to consider the report. I totally agree with Joe. Let's get on and deal with it. Otherwise, this thing will be going on and on for years.

Ms Harrington: Just to clarify, it's my understanding that the staff could have been here but they were told they were not to come. Maybe Mr Cordiano could verify that.

Mr Cordiano: Let me just say, if I may, and this is an awkward position, because I'm normally the Chair

on the committee, this is a response to the request we made of the ministry and it really ties back to our report. It's a consideration of the committee to deal with this, and if the committee felt that it was necessary to have the ministry back, then I suppose the committee can make that decision. But I thought that we would deal with what it was on the face of what we had before us in terms of information and then get a consensus around whether we can accept this or move to further action or have the ministry come before us again.

I'm speaking in my capacity as Chair normally, but that's the way I felt it would go.

The Vice-Chair: Just from my past experience in the last six years on various committees, when we get to the stage that we are considering our final action on a report, normally we do not ask ministry representatives to attend to answer further questions. Since we have, on several separate occasions, invited the ministry back to answer outstanding questions, I think at this stage we have to just make the decision whether we accept what the ministry has offered us as its recommendations of solving the problem or whether we don't.

I think at this stage we should proceed.

Mrs Marland: No. I think at this stage I have a right to ask a question, if you don't mind.

The Vice-Chair: Mrs Marland, you certainly have that right. We had dealt with the matter you raised and you did not raise your hand indicating that you had further questions.

Mrs Marland: Actually, I was interrupted, so I felt I still had the floor, if we're going to be a little technical.

We're here to consider the ministry response to our report. You may talk about your six years; I can talk about my eight years and how we deal with a committee drafting a report. What is before us this morning is the ministerial response. If something is changing on this committee, I would like to know—this ministerial response is only that; it doesn't become part of our report. Is that correct?

The Vice-Chair: Not necessarily. In fact, one of the suggestions has been that the ministry's responses are appended to our report.

Mrs Marland: Then your answer is different than Mr Cordiano's, because he's just said that I was correct. It's not my experience that the ministry's response becomes part of the report. I don't have any difficulty if that's what's going to happen, but I would like that answer. I would like to know now what the direction of the committee is. Will this response from the ministry be part of our report?

The Vice-Chair: I could perhaps answer part of that question from a procedural point of view. On a number of occasions when I have been on the public accounts committee in the past, we have not issued a draft report to the ministry for a response. It is not always the case—in fact, in my experience it has been the reverse, that we don't normally give them a draft report to respond to. So we aren't necessarily operating with something—

Mrs Marland: So you're saying we haven't done this before.

The Vice-Chair: I'm not saying that we have never done this before. It is not the normal course of events where we issue a draft report, send it to the ministry, get a response and do a final report.

Mrs Marland: Okay. My question is, we've done it in this case and we do have a response; what are we going to do with it?

The Vice-Chair: Just prior to your arrival we had had a very informal discussion about it, since committee had not started, just saying, "What do we do in this particular instance?" There were a number of suggestions, one of which was that we would have our draft report, we would have the ministry's two responses appended as exhibits and the committee would make a fairly brief summary report of what our conclusion was as to the ministry's response and further recommendations. But there has been no formal discussion. I think that was something we were going to deal with at the end, but if you wish to instigate that now, that would be fine.

1120

Mrs Marland: You were just referring to an informal discussion off the record before we started the committee with Hansard recording that. So that clarification is important.

Okay, if that might be the case, then what we're looking at might be an appendix to our report, which I don't have any difficulty with. Then I have to ask questions on the record in order to get answers on the record about some of these things, and item 3 is where we are.

It says here that, "Ministry of Housing staff are in the process of reviewing current appraisal methods to ensure that adjustments to current market conditions are made."

Obviously the Ministry of Housing staff are well aware of at least the concerns of our caucus about this very pivotal point in the cost of government housing because of the fact that we have some horrible and blatant examples of where land flips have taken place and the cost of that particular project has been escalated because of what has gone on in the process of the project coming to the bricks-and-mortar stage. So I'm not satisfied, personally, with this particular answer, because it doesn't ensure that the public isn't going to be paying inflated prices through land flips. It simply says, "to ensure that adjustments to current market conditions are made."

You see, where they've got into problems is where "a market price" you would think would have been paid, and six months later, when the market didn't necessarily change, an internal organization within a non-profit group was able to sell it internally from one pocket to the other, essentially. The one that I'm trying to recall the name for—I think it's the Woodgreen community in the east end of Toronto. If it isn't, I apologize to them and their project if I have the wrong name, but that's one of the examples we've had, which I think you, Madam Chair, also were very gravely concerned about in your other hat.

Then we go on to the third paragraph under item 3 in their response, where they say that:

"The appraisal will integrate the various investigative reports required under the Jobs Ontario Homes program. These include environmental site assessments, planning reports, geotechnical and architectural studies. The land value will then be adjusted to reflect the costs associated with the conclusions derived from these reports."

Well, you know, somebody has to pay for those reports.

Mr Cordiano: Of course. But they're being done.

Mrs Marland: The point that I want to make is that when you get into all these consultants, especially if you're looking at architectural studies, you have to wonder where that comes into the actual appraisal of the property. The environmental site assessments very often come under the geotechnical assessments of that property, and we've had some examples where that's the very thing that has been found as a reason not to buy the property. So I don't see those as items that have to necessarily fall under the appraisal of the market value of that land, and I'm wondering if the auditor has any comment on this aspect of the argument.

Mr Peters: Just a very brief one, and that is that the ministry will hopefully watch very carefully the timing of this, because, according to the document it has provided, which is applying to develop non-profit projects, by the time the complete appraisal component is in place we will have about 8,000 proponent calls out there; that's the first and second wave. It will have to be a matter of very sound managerial judgement as to how to deal with proponent calls that come in and require appraisals before the guidelines are completed.

Mrs Marland: You're saying we may have 8,000 proposals out there for—how many units are we talking about?

Mr Peters: It's 8,000 units out of the 20,000. They outlined that the call will be first- and second-wave. I'm referring to page 11 of this document, in which they outline the waves in which these 20,000 units will be allocated. By December 1993, which we're looking at, the proponent calls will be out for 8,000 of the 20,000.

Mrs Marland: This is one of the points that our PC caucus has been trying to make, that a very large inherent cost in this non-profit housing program is found in all the consultants' fees and studies. I just don't see how this answer fits with our concern. Basically, I think our recommendation 5 was trying to address the fact that we wanted to be sure they got the land for the best price. Their answer is that they're reviewing the current methods, and the second part is that in that review they will plan to have the appraisal integrate all these various reports.

If you look at those four areas they talk about, it's very interesting, because some architectural firms will take on a project and after they get the job, of course, the planning component is part of their responsibility, and obviously soil testing and stuff, which comes under the geotechnical. I just don't know whether you really have to include all those things in the base appraisal price of the land. If we do, that's where these properties end up costing so much in these programs, because everybody jumps on the gravy train and all these consultants think: "This is marvellous, because this is exactly what we're looking for. This is a government money tree."

I'm just placing on the record that I'm not satisfied with that answer to our recommendation 5, their answer in their letter of October 4, 1993, on page 3, item 3. I don't see this answer giving us the assurance we need that it's really going to have the kind of close-reined control on the price of land and how that land price has been appraised, how that land price has been concluded. I just don't see that this answer is going to give us the security on that very important factor in the cost of non-profit housing. I see it as being an answer that gives them a lot of latitude, because they can turn around and say, "Yes, somebody said it was $2,000 an acre, but by the time we did the geotechnical studies and the architectural studies and the environmental site assessments and then of course the planning reports, well, it's not $2,000 an acre any more," it's whatever. I'm simply saying I don't find those costs to be fair in looking at the appraisal methodology.

1130

Mr Cordiano: On a point of order, if I may: I hear what Mrs Marland is saying with regard to those questions and I think she makes some valuable points, but I think it would be appropriate to have the auditor comment on why it is to his satisfaction that the ministry has complied with what we wanted resolved on this item. I don't think that's been done in its full detail, because with respect to these additional costs, I think it could be said that if any private sector development was moving forward, they would have to incur these costs as well. Could you elaborate on that. Would that be helpful?

The Vice-Chair: Any further comment on either Mrs Marland's or Mr Cordiano's suggestions?

Mr Peall: What Mr Cordiano said is basically correct. The private sector would have to incur those types of studies in arriving at a fair value to pay for the land.

An important thing to recognize with the new program, though, is that site selection is done as a second process after the group has been selected. In the programs we were auditing, the problem was that the site had been selected by the group, often at the same time that the whole thing was being considered, and they were getting preliminary approval to buy land because land prices were rising so quickly. Consequently, the ministry was incurring the interest costs on those lands for the whole time it took to approve the project to go ahead and work out all the details. That portion of the cost is now going to be obviated because they're going to be approving the site after they've gone through with the group and made sure that they can deliver a project.

As far as doing those studies is concerned, I think they are important, because we did identify problems, and it was reported in the detailed report, where they didn't do proper environmental studies and paid too much for land cleanup. The sponsoring group paid too much for the land, not knowing that those costs were going to be incurred after the fact, and of course it's government money that ends up paying for that. Yes, there are costs associated with that, but I think they're necessary if we're going to make sure we're getting fair value for the land.

Mrs Marland: The first few things you said I agreed with. But do you think it's fair that the government—it is the taxpayers of the province who are going to pay for these studies to be done. What you're saying is that having these studies done secures the next step of whether the project goes ahead or not, so what I'm asking is, if I form my busy bee quilting group that wants to do the next non-profit housing project, I can go ahead and get all these studies done and the government is going to pay for them?

Mr Peall: No, that's not my understanding. As I say, they have to select the group first to make sure they're qualified. Once they have brought forth the concept and the proposal they've got, it then goes into the site selection phase. The ministry is involved with the site selection process. They'll force the group to get their appraisals and go through the hoops of getting the proper assessments done so that all that groundwork is there before the ministry approves the next phase and advances money to go ahead.

Mrs Marland: But the ministry will give them the money to do these studies.

Mr Peall: Yes, they have some development financing that they provide to groups to do that.

Mrs Marland: That's what I thought.

Mr Cordiano: Can I get a point of clarification from Mrs Marland? This is significant.

The Vice-Chair: Okay. Mr Cordiano, then the auditor, and Mr McClelland has comments.

Mr Cordiano: Would she be saying that that kind of initial funding, once approval has been made, shouldn't be considered by the ministry, that that kind of funding should not be available for those groups?

Mrs Marland: You're trying to get me to say that I think those groups should provide the funding, and I certainly don't agree with that. All I'm saying is that you only have to look at some of the groups that come forward to know that there isn't any expertise in the group for the development of multimillion-dollar projects. What is within the group is a community spirit where they want to do something for the community. That's why they often organize and decide that this is what they want to do. I've worked with these groups for about 15 years now, and I know that the intent of the group, as a community group, is based on how their heartfelt concern revolves about people within their community. But I also know that those groups, for the most part, do not have any expertise in land development or buildings and construction.

They know there's money there to do non-profit housing programs, so they come forward, without any expertise, and say to the government, "We want to organize such-and-such non-profit group." At that point, is the government going to turn around and say to them, "Okay, we need this, this and this done on the property before we can approve that piece of property being considered for that particular project"?

Mr Cordiano: Can I just comment?

Mrs Marland: When they do that, when they get to that point, I think the auditor's answer is that now, before they're given permission to look at a specific piece of land for their project, they have to have had all these studies done. I think this is where there is a very major cost to the program. It would also be a major cost to the program, I recognize, if they went ahead and bought something where it was contaminated land. We go back to the Liberal government's Ataratiri project, where we were going to do all this land development on land that wasn't even able to be cleaned up.

Mr Cordiano: What are you saying, Margaret? I don't understand that.

Mrs Marland: I recognize the importance of it.

Mr Duignan: You should look for equal time there, Joe.

Mr Cordiano: Madam Chair, let me just comment on that, because I think if we're going to go through this, we have to go through it in a systematic fashion. I'm speaking as a critic for my party, and I want to understand if there's a disagreement with what's been put forward in each of these areas which essentially the auditor is agreeing with.

This is a new system that's been put in place. It attempts to screen the applicants for their validity as a viable group with some expertise, at which point site approval will be granted, only after the group has been accepted by the ministry, listing a number of criteria it's going to follow.

That is obviously my understanding from the auditor. That, to me, is an improvement over the current system, or what happened in the past where, as was pointed out by the auditor's office, there wasn't that kind of consideration. This is certainly an improvement. It's an effort to reduce mishaps and allocations of land with groups and the escalation of cost. I'm satisfied with this approach the ministry is taking, and I just want to try and get to what Mrs Marland is saying, because I don't understand. Is she unhappy with the ministry's response? What part of it are you not satisfied with? Perhaps I can get a better clarification of that, because I don't follow what it is that we're dissatisfied with. I mean that in all sincerity; I'm not trying to be facetious.

Mrs Marland: There has to be a route to achieve what the ministry wants to do. In the long run, what the ministry is saying here does protect the project down the road, but my concern is that there is an expense to this route if this route is not very closely monitored. If you say to me, with my non-profit group, "Go out and get all these things done, get your geotechnical and your architectural"—for example, I don't know why you need the architectural at that point anyway, but it's, "Go out and get all these studies done." Then it says the land value will then be adjusted to reflect the cost associated with the conclusions. Well, land value is always directly related to what you can do with it.

1140

I'm not sure whether there are enough controls in the ministry to say to these applicants to go and get (a), (b) and (c) done, and in the meantime—I mean, so often they come to you and say, "I've got developer C, and he's going to hold this land for us"; the group wants to get on with it. I'm just wondering whether the government says to them that they can't take any steps until, as it refers to here, planning reports are done. Obviously, planning reports haven't worked.

When Gilles talks about the fact that these problems have existed under every government, it's under the current government that—I think your minister actually said it started under the Liberal government on that particular example of $319,000 a unit. But that was a planning issue; that was an issue where the zoning density that was permitted was half what the proponent, the non-profit group, wanted to build.

I'm not sure, Mr Peters, whether these answers address and give enough protection to the taxpayers. If you're satisfied—

Mr Cordiano: Is that good enough?

Mrs Marland: Obviously, you see something in these answers that I don't, but if you're satisfied that an example such as the Beaches example of the $319,000 a unit wouldn't happen again now that the ministry has decided to get these studies done first which "include planning reports," then what that says is you're not going to have a non-profit group come forward and spend $2.3 million on four units because it takes two years to go through the planning report stage to get a property rezoned to increase the density to meet the number of units they want to build, and then maybe it's appealed to the OMB and they lose at the OMB. In the meantime, thousands of dollars could have been spent on that project.

If the land value is going to be adjusted to these tools, as it says, and the planning report is going to be one of the tools, that may take years. We've got a perfect example of where that's happened.

I'm simply saying yes, some of these assessments have to be done, but I don't think we can sit back and think, "They're going to be done, and that's going to give us the security." I think there has to be a limit on how much these assessments cost and that they don't have a free rein to hire consultant A, B and C because they've done government work before and they know how to get through the hoops.

The ministry has some kind of pattern. When we know they don't have any operating agreements, I have to wonder what kind of guidelines they have that implement what this third paragraph on item 3 is saying. If you think from your discussion with the ministry that it's going to say to proponent groups, "You've got to get all these studies done, but this is how much you spend on your architectural study, your geotechnical and your planning reports and your environmental site assessments; this is what a budget is for this kind of work to be done," and if there's a cap on that budget and there's a time on that budget—because certainly that's where the escalation in cost evolves: when it takes a lot of time. I can tell you, in a municipality like Mississauga you don't just breeze through a planning report based on whoever the proponent is. Mississauga is very cautious and very strict about its planning.

The Vice-Chair: The auditor has been waiting very patiently to address this particular point, and then we have Mr Owens.

Mr Peters: To help in answering your question, I just want to reiterate to you what process we went through. We took into consideration—we combined this, actually, with the other answers; we did not take this particular paragraph in isolation. For example, in item 4 they said they're in the process of putting in competitive procurement practices. In item 5, they were saying they have handbooks on development covering environmental consultant services, architectural services,

planning consultant services and development consultant and resource group services. Again, they are planning to have that in place by the next month.

There are also further statements made about detailed cost analysis, operating cost budget norms and standards, all of which seem to be—maybe not the latter; it's scheduled for completion by June. Taking what was said into consideration gave the satisfaction, but in isolation, each of these steps—and there is some sympathy, I must admit, for the ministry on our part, actually quite a lot, because we have dictated, by the way we phrased our questions, the sequence, the breaking down into components. They indicated to us already that they had some difficulty in answering in those components. If we are, in a way, taking individual components of their response, we may end up possibly with an unsatisfactory situation which may be resolved through a response elsewhere in the document. I'm not sure whether you have had the chance to read the document in that kind of detail. We have tried to in the little time we had available. It was really by putting those things together that we ended up with some satisfaction.

Mrs Marland: That's great; that has answered my question.

Mr Owens: If Margaret is happy, I was just going to ask her a question with respect to municipal cooperation and the construction of co-op and non-profit housing. I'm familiar with a project, for instance, in my colleague's riding of Scarborough East, where there is absolutely no need to go to OMB and do all the "zoned appropriately." It took these folks six years to get through the municipal process.

My concern is that when you start talking about capping costs, if you have another level of government, for whatever reason—I'm trying to choose my words carefully—playing with the process and forcing people into other avenues, then I think there are going to be a number of problems, the least of which will still be no reduction to the list of people who are waiting for affordable housing, whether it's non-profit or cooperative housing units.

Maybe the kind of recommendation I would be interested in, in terms of value for dollar, is how we could take a look, through the Ministry of Municipal Affairs, at dealing with these recalcitrant councils. I have no doubt that Hazel McCallion and her respective council bend over backwards to make sure that Mississauga has its fair share of—

Mr Robert V. Callahan (Brampton South): We'll send a copy of that to Hazel. She'll love you for that.

Mr Owens: I'm sure she will, and I won't start my car for the next two years.

In terms of the value-for-dollar question, there's that unknown variable out there with respect to costs that the Ministry of Housing as well as the proponents have absolutely no control over, so I'm a little bit nervous when it comes down to discussion about capping costs and having set amounts of soft-cost dollars allocated per project.

1150

The Vice-Chair: It appears that Mrs Marland is satisfied with the auditor's response. It's good too that the auditor pointed out not to make the mistake of taking these in isolation, because it fits together as a package.

If there are no further questions on item 3, we'll go to item 4.

Mr McLellan: Item 4, recommendation 6, competitive procurement practices: "The Ministry of Housing should adopt a directive on competitive procurement practices to ensure that administrative procedures are followed to promote economy, efficiency and effectiveness in the development of residential units in the non-profit housing program."

As the auditor just mentioned a moment ago, there is discussion here to follow a competitive approach. The ministry says as follows: "As part of the program requirements, non-profit groups will be expected to hire all technical consultants and service providers by using a competitive approach." This affirms what the ministry had said to us back in July.

It continues on in discussion of the requirements of the sponsor groups and the handbooks, that the "program material will stress the requirements for a competitive approach in the selection of consultants." That's an issue the committee had been quite concerned about during the hearings earlier this year.

Again, we have discussion of the five handbooks that will be distributed and the action plan, on the bottom of page 5 going up to the top of page 6.

The Vice-Chair: Does the auditor have a comment?

Mr Peters: Yes, one very brief one. One item that is not mentioned that might be worthwhile inquiring about is the ministry's policy with respect to turnkey or modified turnkey practices. Maybe, Mrs Marland, that's what you were referring to in some of this. In other words, the turnkey is where the whole project is delivered, and how do they ensure competitiveness in those proposals? That is not mentioned. That is possibly one area where a further question may be raised.

Mrs Marland: Can we add that?

Mr McLellan: In the May draft report, on page 21 we do discuss the turnkey and modified turnkey projects and the competitive nature of these. It is addressed in that second paragraph in the draft report.

Mr Peters: In their response as well?

Mr McLellan: No, not in their response, but in this report.

Mr Peters: That's what I referred to: whether we could ask them to respond to that.

The Vice-Chair: If there isn't any further discussion, we'll go to item 5.

Mr McLellan: Item 5, development consultants. Recommendation 7 reads as follows:

"The Ministry of Housing should adopt a directive to ensure that all qualified development consultants have an opportunity to tender on non-profit housing projects in a competitive format."

In July the ministry had said it would be addressing the fee structure based on services. There was some discussion, when the ministry was here, on that movement to payment of fees based on services rather than total project cost.

The ministry, on page 6, discusses its new handbook, the new fee schedule and what it refers to as "lower development fees." In the fourth paragraph they talk about encouraging a competitive selection process for consultants. At the top of page 7 there is discussion by the ministry of the revised service and fee structure, and the action plan's on page 7 as to the implementation between now and December 1993.

The Vice-Chair: Any discussion on that?

Mrs Marland: In the fourth paragraph on page 6, under item 5, it says, "There will be no mandatory selection by tender but groups will be encouraged to select development consultants on a competitive basis." What does that mean, do you think?

Mr Peters: If I may, the way I read it was that they tried to explain it in the next paragraph, where they said they want to ensure that groups have a choice in the selection and they really encourage them. I would agree with you that is a bit soft.

Mrs Marland: It's a bit scary. You know why? Because—

The Vice-Chair: One point of clarification on that. It does say in here that their booklet is going to have a fee structure, so even though they have the choice of consultants, would there not be a limit on what fees could be charged, which would serve as some protection for the taxpayer?

Mr Peters: I would agree with you. In the previous paragraph they merely use the word "encourage" rather than "enforce."

Mrs Marland: The reason I raise it is that a lot of these fees are going to be over the mandatory $50,000 where the government has a policy of tendering, doesn't it? Does that not apply to these groups?

The Vice-Chair: It would be interesting to have a clarification from the ministry on this. The way I read it was that there was a fee structure so there would be a maximum that could be charged, but if there are two consultants that met this fee structure, for instance, but one of them was slightly higher than the other, they could still choose that consultant if they had worked with him before. The ministry's encouraging them to be most cost-effective, but there may be reasons why they choose a consultant, but they are bound by a fee structure. I may be wrong. That is how I interpreted it when I read it.

Mr Callahan: I got the impression—I may be wrong and I think we do need clarification from the ministry—that perhaps they're thinking in these terms. Let's say you had a particular cultural group that wanted to put up non-profit housing. They might look within the framework of their own cultural community, limit the tendering to that group. I don't know whether that's what they mean by it, but I think we should get a clarification of it. As laudable as that might be, because I think there would be an understanding within a particular community of perhaps items that might be needed in a particular non-profit housing establishment that might not be necessarily general across the board, that could possibly create significant additional expense. First of all, you'd have a limited group. You may have limited expertise too, because they may not have been in the field that long and the net result is going to be additional cost.

I think we should get an explanation, but I'd like an explanation that asks if that is the intent of that paragraph. I know it's not politically correct to comment that way, but that's the impression I get. Certainly, we're all aware of the fact that many non-profit applications that are made are made by particular groups of the multicultural community. That may be what they are trying to do: to limit it to those particular groups. I don't know.

The Vice-Chair: It now is quite apparent that we are not going to complete this report this morning, and we will probably follow up with this report next week. Could Ray within the next week contact the ministry and ask it both about the turnkey issue and also a clarification on the development consultant, as to whether the fee structure will impose a maximum fee and therefore the choice of the consultant.

Mr Duignan: I would suggest, as it's getting late, that maybe it would be advisable to have some staff from the Ministry of Housing here next week to answer some queries, or more that may be raised next week, and let's make a conscious effort of getting this thing done next week.

The Chair (Mr Joseph Cordiano): Let me just speak now in my capacity as normal Chair. Perhaps we should have a subcommittee meeting to order our business for the foreseeable future. It was our intention to deal with the health card question on October 21, a report that needs to be completed by us as well. Of course, this always takes longer than you first assume, so I think it would be wise to have a subcommittee

meeting to come to some kind of agreement about the timing and the framework.

It was my concern that we don't endlessly deal with this. There are a number of questions that might have loose ends in this report. But, quite frankly, if they are unsatisfactorily answered by the ministry, we simply write our report to that effect, is my view.

We can do whatever the committee wishes, but time is a factor in all of this and we do have to have these reports completed before the next auditor's report comes out, which is in November some time, so there isn't a whole lot of time here to deal with these issues.

Mr Duignan: On Joe's point, maybe you then let the subcommittee deal with the issue.

I move adjournment.

The Vice-Chair: We've had a recommendation that the steering committee will deal with how to proceed with the Ministry of Housing report and the further agenda. I'll adjourn this meeting so we can go and vote in the House.

The committee adjourned at 1201.

CONTENTS

Thursday 14 October 1993

Annual report, Provincial Auditor, 1992: Ministry of Housing P-331

STANDING COMMITTEE ON PUBLIC ACCOUNTS

*__Chair / Président:__ Cordiano, Joseph (Lawrence L)
*__Acting Chair / Président suppléant:__ Owens, Stephen (Scarborough Centre ND)
*__Vice-Chair / Vice-Présidente:__ Poole, Dianne (Eglinton L)
*Bisson, Gilles (Cochrane South/-Sud ND)
*Callahan, Robert V. (Brampton South/-Sud L)
*Duignan, Noel (Halton North/-Nord ND)
*Frankford, Robert (Scarborough East/-Est ND)
*Marland, Margaret (Mississauga South/-Sud PC)
*Murphy, Tim (St George-St David L)
O'Connor, Larry (Durham-York ND)
*Perruzza, Anthony (Downsview ND)
Tilson, David (Dufferin-Peel PC)

**In attendance / présents*

Substitutions present/ Membres remplaçants présents:
Harrington, Margaret H. (Niagara Falls ND) for Mr O'Connor

Also taking part / Autres participants et participantes:
Peters, Erik, Provincial Auditor
Peall, Gary, director, ministry and agency audit branches, Office of the Provincial Auditor

Clerk / Greffier: Decker, Todd

Staff / Personnel: McLellan, Ray, research officer, Legislative Research Service

CA2ON1
XC21
-P72



P-18

ISSN 1180-4327

Legislative Assembly of Ontario

Third Session, 35th Parliament

Assemblée législative de l'Ontario

Troisième session, 35e législature

Official Report of Debates (Hansard)

Thursday 21 October 1993

Journal des débats (Hansard)

Jeudi 21 octobre 1993

Standing committee on public accounts

Annual Report, Provincial Auditor, 1992

Ministry of Housing

1992-93 Public Accounts

Comité permanent des comptes publics

Rapport annuel, Vérificateur provincial, 1992

ministère du Logement

Comptes publics, 1992-1993

LIBRARY
University of Toronto

Chair: Joseph Cordiano
Clerk: Todd Decker

Président : Joseph Cordiano
Greffier : Todd Decker

Published by the Legislative Assembly of Ontario
Director, Hansard Reporting Service: Don Cameron

Publié par l'Assemblée législative de l'Ontario
Directeur, Journal des débats : Don Cameron

Hansard on your computer

Hansard and other documents of the Legislative Assembly can be on your personal computer within hours after each sitting. Sent as part of the television signal on the Ontario parliamentary channel, they are received by a special decoder and converted into data that your PC can store. Using any DOS-based word processing program, you can retrieve the documents and search, print or save them. By using specific fonts and point sizes, you can replicate the formally printed version. For a brochure describing the service, call 416-325-3942.

Index inquiries

Reference to a cumulative index of previous issues may be obtained by calling the Hansard Reporting Service indexing staff at 416-325-7410 or 325-7411.

Subscriptions

Subscription information may be obtained from: Sessional Subscription Service, Publications Ontario, Management Board Secretariat, 50 Grosvenor Street, Toronto, Ontario, M7A 1N8. Phone 416-326-5310, 326-5311 or toll-free 1-800-668-9938.

Le Journal des débats sur votre ordinateur

Le Journal des débats et d'autres documents de l'Assemblée législative pourront paraître sur l'écran de votre ordinateur personnel en quelques heures seulement après la séance. Ces documents, télédiffusés par la Chaîne parlementaire de l'Ontario, sont captés par un décodeur particulier et convertis en données que votre ordinateur pourra stocker. En vous servant de n'importe quel logiciel de traitement de texte basé sur le système d'exploitation à disque (DOS), vous pourrez récupérer les documents et y faire une recherche de mots, les imprimer ou les sauvegarder. L'utilisation de fontes et points de caractères convenables vous permettra reproduire la version imprimée officielle. Pour obtenir une brochure décrivant le service, téléphoner au 416-325-3942.

Renseignements sur l'index

Il existe un index cumulatif des numéros précédents. Les renseignements qu'il contient sont à votre disposition par téléphone auprès des employés de l'index du Journal des débats au 416-325-7410 ou 325-7411.

Abonnements

Pour les abonnements, veuillez prendre contact avec le Service d'abonnement parlementaire, Publications Ontario, Secrétariat du Conseil de gestion, 50 rue Grosvenor, Toronto (Ontario) M7A 1N8. Par téléphone : 416-326-5310, 326-5311 ou, sans frais : 1-800-668-9938.

Hansard Reporting Service, 481 Legislative Building, Toronto, Ontario, M7A 1A2. Phone 416-325-7400. Fax 416-325-7430

STANDING COMMITTEE ON PUBLIC ACCOUNTS

Thursday 21 October 1993

The committee met at 1007 in room 151.

ANNUAL REPORT, PROVINCIAL AUDITOR, 1992

MINISTRY OF HOUSING

The Vice-Chair (Ms Dianne Poole): Good morning. I'd like to open this session of the standing committee on public accounts. We have several things on our agenda today. We'll begin with non-profit housing, the Ministry of Housing, section 3.12 of the Provincial Auditor's 1992 annual report. When we have completed deliberations on that particular aspect, we will go on to speak to the Provincial Auditor and hear his comments on the 1992-93 public accounts and the qualified opinion he gave on those public accounts.

Beginning with the Ministry of Housing report, I believe all members have a copy of the response of the Ministry of Housing. At the last meeting we had begun to go through this. What I would recommend, with your approval, is that we have Ray very briefly go through the balance of the report, and if an area is not contentious and we agree with the ministry action, then we don't need to entertain discussion. But there are several areas where I understand there's dissatisfaction with the ministry response.

Mrs Margaret Marland (Mississauga South): I just have one point to clarify from last week, because I don't know if we touch back on this report further along.

Last week we talked about the concern we had because the operating agreements were now not going to be completed until December 1994, and I expressed my concern about that from the standpoint that in the meantime many of these housing co-ops and the other public sector organizations that operate non-profit housing were doing so without these operating agreements in place. That was a major concern identified by the auditor in his report last fall, a year ago already, and then last week we learned that some of them are still not going to be signed until October or November 1994.

The Vice-Chair: Mrs Marland, just one—

Mrs Marland: Let me just finish.

The Vice-Chair: Just one moment. We are going to be discussing the operating agreements in item 14 quite extensively. Would there be any reason your comments can't hold till that particular time?

Mrs Marland: No, but I just want to finish my sentence.

The Vice-Chair: Oh, certainly. Finish your sentence, please.

Mr Stephen Owens (Scarborough Centre): This is called stream of consciousness, however.

Mr Tim Murphy (St George-St David): A run-on sentence.

The Vice-Chair: As long as it's a short sentence.

Mrs Marland: One of the points I made last week was that I thought we had been assured that those agreements would be completed by the end of this year by the Housing ministry officials, and I now see from a copy of the standing committee on estimates of July 20 that in fact I was correct. Mrs Herbert said they were certainly targeting for the non-profit sector operating agreements to be complete by the end of this year. That, I think, is very important, and I will enjoy discussing it again when we get to item 14.

Mr Joseph Cordiano (Lawrence): On a point of order, Madam Chair, more a point of how we proceed, but sort of a point of order: Given the time constraints we have, it's my concern that we may not have much time to deal with the two matters that I think we all agree are substantive. Could we get to those two items rather than going through the whole report? I think we left with some agreement last week that we would deal with those two items. If I understand correctly to this point, we have some consensus around a number of the other issues; on most of them we have that kind of consensus. Can we get to those two items and then come back to any other items we might not be in agreement on?

The Vice-Chair: Mr Cordiano, I think we left off at item 5. I would suggest that I just read out the item number and ask if there is any discussion or comments. If there is none, we will proceed, just in case members do have important questions on other items.

Mr Owens: In terms of Mr Cordiano's question, my question is, are we intending to finish this particular item today? While I'm certainly a new arrival on the committee, it seems that this item has been on the agenda for a number of weeks, and there are other pressing issues the committee needs to look at with respect to the Provincial Auditor's report and the state of the economy etc etc.

The Vice-Chair: That's a good question, Mr Owens. We did have a steering committee meeting last week, at which time we did decide we would try to give final instructions to Ray about the way the report would read. After he had the report completed, I believe we intended to circulate it to all members and hold a steering committee meeting at that time to decide whether we just need a brief meeting to adopt the report or whether we need to take it further.

Mr Owens: Is that a firm resolve to try?

The Vice-Chair: I think it is our resolve to try and complete as much as possible of this report within the next hour.

Mr Owens: Great. Let's do it.

The Vice-Chair: I think all three caucuses indicated their desire to cooperate and do this in a timely fashion, so I don't anticipate a prolonged debate. In fact, I would ask members to keep their comments as brief as possible.

Item 5: I believe that's where we left off. Any discussion on item 5? Seeing none, we'll go to item 6, which is maximum unit price adjustment. Any comments or questions? Then we will proceed to item 7, detailed cost analysis/capital costs, referring to recommendation 11. Item 8, operating costs, budget norms and standards. Item 9, tenant placement consistency, equatability and efficiency, referring to recommendation 13.

This is extremely cooperative.

Mr Cordiano: Well, I just want to be clear and ask Ray about that. This does have a bit of an overlap with the operating agreements with respect to tenant placement, so that would be the only concern I have. Where do we deal with the operating agreements? What number is that?

Mr Ray McLellan: That's 14.

Mr Cordiano: Perhaps you could help me out, Ray. Within the operating agreements, there is some question, certainly discussion, about tenant placement and which local housing authority lists are used to pick up tenants from. There's some question about not having agreements in place and the fact that there are holes in the way tenants are being placed, the procedure used for that.

Mr McLellan: If I could just refer back to page 11, item 9, they discussed the tenant placement program and the fact that the ministry has introduced a new access system and also that they're in the process right now of preparing a background paper on their review and the consultation process. On the bottom of page 11, they run through the various aims coming out of that consultation process, in other words, their agendas to the items they want to address with respect to placement; and then, on page 12, the action plan for tenant placement.

Mr Cordiano: There is a section here that says, "Produce guidelines, processes and/or minimum criteria for tenant selection for Jobs Ontario Homes—to form part of operating agreement and procedure manual."

I don't think there's enough specificity with regard to that and we have to tie it back to the question around operating agreements. Perhaps we can discuss that in more detail in that section. I just allude to that because we want to make sure that forms part of the discussion on that section.

The Vice-Chair: Mrs Marland has a comment, but just before going there I'd just mention that even though we have proceeded past an item we can reopen it at a later date if we find that it's affected by a later recommendation or response.

Mrs Marland: As I read item 9—and I'm not looking at our report because I haven't got it open yet—it looks like a better way to build a mousetrap, a better way to make existing long lists longer, but what it doesn't seem to address for me—the title is, "Tenant Placement Consistency, Equitability and Efficiency." Maybe, Ray, you can help me with this: Under efficiency, would that also cover cost-efficiency?

The first paragraph says: "At the present time, non-profit and cooperative housing providers have referral agreements with local housing authorities which commit them to take at least one half of their 'deep need' vacancies from the housing authority waiting list."

One of the problems that is arising throughout all the operation of non-profit housing in this province is the fact that there are more people who qualify under "deep need" than there are units available. That's why in Peel we have 10,000 people on a waiting list. Now, there has been discussion by the ministry, formally and informally, about increasing the percentage of units that are deep-need qualified for subsidy and even increasing the percentage of units in a building that are—I mean, all the units in the building are subsidized. The market rent units are subsidized by the fact that the mortgage is subsidized when the building is built. But going back to the 1970s, when Peel Non-Profit Housing started non-profit housing in Canada, the percentage of subsidy was that 25% of the units were subsidized and 75% were market value. The whole operation of these units from their balancing-their-books perspective is based on their income. When they increase the depth of the subsidy, it skews the financial formula for the operation of that project.

1020

The fact that the ministry is now sending out videos and publications to the housing authorities to tell them how to promote the vacant units in their existing non-profit housing buildings tells me they're finding that there is competition for their market rent units, so that's why they have market rent units vacant.

Does this answer under item 9 from the ministry, in your opinion, address what the future is from the ministry's perspective as to how it's going to deal with perhaps having to rent more and more of what were designated as market rent units at a subsidy, therefore lowering the whole income for that unit accordingly?

When they talk about tenant placement efficiency, do you think the efficiency looks at addressing the percentage of subsidized units, and—I don't know, maybe Erik is the one to answer this—how does that bode down the road for these non-profit programs being able to carry

themselves even—I wouldn't like to say "as well as they do now" because they're not carrying themselves today, but are those changes going to impact the balance sheet on these non-profit projects down the road? Does that come under this section 9?

The Vice-Chair: You've asked a question which probably could be best answered by Ministry of Housing officials. But if either the auditor or Ray McLellan would like to give their interpretation—they may not have sufficient information to answer that question—if so, it could be put in our report as part of the section we need more information on. Auditor, would you like to respond?

Mr Erik Peters: I just have only one very quick comment. In the final action plan item which they're showing on page 13 at the top, they leave the issue somewhat open-ended in terms of saying that they're providing input re the access to team negotiating changes to existing housing programs. I find it somewhat difficult to read as to how far-reaching those changes are going to be.

From that point of view, it might be worth requiring more specific information, but it may contain the answer to your question and it may not. I find it difficult to answer.

Mrs Marland: The first sentence of the fourth paragraph on page 11 says, "At these meetings, the design team was given suggestions about what needed to be included in tenant selection practices for social housing." Is that not a little bit of the cart before the horse? If you've got empty units that are designated as market rent units and you can't fill them because people would rather pay a market rent in a non-government-designated building—I mean, if people are going to pay market rent, they don't want to be in Ontario housing or a government-owned building.

Mr Cordiano: That's a way of putting it.

Mrs Marland: Well, that's what happening.

Mr Cordiano: Let's not leave that impression. I mean, I think—

Mrs Marland: Okay. But the point—

The Vice-Chair: One person at a time. Mrs Marland has the floor.

Mr Cordiano: A point of order, Madam Chair: Look. We can discuss these themes that weave throughout the entire report. I think what Mrs Marland is touching on is a theme that probably speaks to the larger question about need and trying to fill a market need out there and the model that's been developed by the ministry to do that.

I think essentially if there are problems with vacant units, then it speaks to the whole question of the demand-need analysis equation and formula that's been developed. That really ties into the only other question that has a divergence of opinion here, which is the question around the buffer and how we come up with an analysis of need, what true demand is out there, and how many units are designated to be allocated according to a demand analysis versus some allocation method that was hodgepodge and just resembled something the ministry felt was a priority because it felt it was a priority, not based on an economic model. It ties into the question of the buffer, it ties into the question of demand analysis, and that is really the issue on which we have a divergence of opinion, I think, with respect to a fundamental approach that the ministry is taking. I would like to get to that question, and around operating agreements, which deals with tenant placement, but essentially, when you're talking about market analysis etc—

Mrs Marland: This is a point of order, isn't it?

Mr Cordiano: Well, it is, because I'd like to get to the two points that we think are of divergence, which I think we had agreement on last week. If we don't do that, we're going to run out of time, quite frankly.

The Vice-Chair: If I can suggest a resolution to this issue, I spoke to our researcher, Ray McLellan, and he indicated he doesn't have sufficient information to answer Mrs Marland's question but he would be prepared to go through the Hansard afterwards and to put further questions in the report to which we do not have answers. So those areas of concern you have outlined, at least for the draft of the report that Ray is currently working on, he can incorporate that into it.

As Mr Cordiano has pointed out in his non-point of order—

Mr Cordiano: It is a point of order.

The Vice-Chair: We do have an opportunity to expand on this in the two areas we want to concentrate on, items 14 and 16. I would suggest, why don't we proceed, and if it is necessary to open up item 9 for further comments once we're into the body of the other two items, we can certainly do that.

Mrs Marland: We're actually in item 9 now, and in item 9, the second-last paragraph on page 11, it talks about "an implementation plan to achieve this in cost-effective ways." That's the very point I am making. We're talking about tenant placement, and I'm talking about how it becomes cost-effective. I'm quite happy to leave this and get the answers later, but what I don't want to see happening is, this report that we're trying to deal with in this committee, Madam Chair—and you were an excellent inherent part of the beginning of our questions on this report—was generated by the fact that the Provincial Auditor identified over a year ago $200 million that wasn't accounted for in the non-profit housing program in this province. We are trying to respond to the auditor's report. That's what this report is all about. I say that with respect to Mr Owens, who wants to get on with this and get this finished.

Mr Owens: On a point of clarification: Would Mrs Marland please clarify what she means by $200 million being unaccounted for in the Ministry of Housing?

Mrs Marland: If Mr Owens wants me to pull out the auditor's report and read those sections to him—

Mr Owens: I just wouldn't think $200 million is unaccounted for.

Mrs Marland: Well, have you read the report from last year on Housing?

Mr Owens: Yes, I have actually, and that's what I'm saying. I don't think $200 million vanished into the ether, as you are alluding to.

The Vice-Chair: Mrs Marland had the floor. She did take note of your comments, Mr Owens. I would ask Mrs Marland to wind up. It's not that there isn't a lot of validity to what you've said; they're very valid comments. The problem is, we don't have that information, and I think we are prepared to put that in the next version of the draft report, that we aren't satisfied that enough details have been provided, that the problem has been resolved and the ministry is reacting.

1030

Mrs Marland: All right.

The Vice-Chair: But I just don't know how much further we can take it at this point because we just don't know what the ministry is doing.

Mrs Marland: No. Do you remember last week we talked about the fact that there really were going to be questions that probably only the ministry could answer, but it also had been decided not to have the ministry come back? So it's a little difficult to have questions—

Interjections.

Mrs Marland: Excuse me—

Mr Cordiano: On a point of order—

The Vice-Chair: Mr Cordiano, just before the point of order, I would just like to say that what was decided at the steering committee meeting is that this report could go on for ever because there will always be questions that remain unanswered and not sufficient data to complete the report. So I believe we decided that we would in our report itemize areas where we are not satisfied that the ministry has provided us with a complete enough answer or that we feel the ministry's answer itself is not satisfactory. So I realize you have a concern but I'm not sure how we can deal with it right now without calling the Ministry of Housing officials back, and I believe we had decided that would not be appropriate when we're trying to finalize this report.

Mr Cordiano: On a point of order, Madam Chair: I have to come back to this question of timeliness in terms of this report. I thought we had an agreement around what we were doing with this report in terms of time lines. I say this to Mrs Marland because if we're not going to get to the substance of this issue, we can be here talking about this question until next year and the year after that and we'll never file a report. I thought it was important that we file a report; I'm in agreement with that. If there is disagreement, please let me know and maybe we shouldn't deal with this matter today. Maybe we should just allow members to go back, review the documents and come back with further discussion. But we have to have some sense of where we're going.

The Vice-Chair: I think we would like to resolve this, if at all possible. Perhaps I could suggest that Mrs Marland frame this into a recommendation for the public accounts committee, and you could work with Ray on this.

Mrs Marland: I'll frame it into a question.

The Vice-Chair: A question, or in fact you might like a recommendation. Mr O'Connor and then Mr Owens.

Mr Larry O'Connor (Durham-York): I agree with Mr Cordiano here, that we've dealt with this issue at great length. I thought that we had come to a lot of consensus in this committee, in which we do try to be as non-partisan as we can as we review the finances of many wonderful agencies, at arm's length and sometimes even a little closer, how spending happens within the province, and we review this and take a look at the auditor's report. I think the auditor would probably even find some comfort in us trying to deal with this, in that his time in coming to this committee has been well used. Perhaps if we actually sit down, go through the committee's report that I hope will be ready to be tabled in the near future in the Legislature, we'll see some progress. It won't be that long down the road and we'll be dealing with other items that the Provincial Auditor will bring to us as a committee and try to keep this committee non-partisan, as we have been able to on many occasions.

I would agree with my colleague Mr Cordiano, in that aspect, that I thought we were quite close to finalizing this report. I think Ms Marland has offered an opportunity here, that she has a concern and would like maybe to get a response from it. That can happen but I don't think that has to slow down the workings of this committee and not allow us to move forward with the report today. I don't think, and Ms Marland I'm sure will correct me if I'm wrong, that she is about to change her recommendation. I think that she's been involved with this committee's report up to this date as actively as all members of this committee have been and I hope that we can move forward with it.

Mrs Marland: Could I just add one thing?

The Vice-Chair: If you could keep your comment as brief as possible.

Mrs Marland: Yes, this is very brief. You know this summary that we received? If you read the back

page, page 15, under the tenant placement, this is what the ministry is saying:

"We are pleased to note that you find our income verification procedures to be satisfactory. Your comments on tenant placement and referral procedures, which we also identified as concerns through the housing policy framework initiative, are also valid. Tenant placement and referral procedures are governed by project operating agreements. After the ministry has finalized these project operating agreements, we will be able to more effectively monitor and enforce tenant placement procedures."

We now know that those operating agreements are not even going to be finalized for a year from now, which is two years from when there was the criticism by the auditor that they weren't in existence.

Mr Cordiano: Correct, but we do have disagreement around—if I may.

The Vice-Chair: Mr Cordiano.

Mrs Marland: It's very important.

Mr Cordiano: This is why in my comments with respect to this section, I said this ties into the question of operating agreements. If you recall, there are only two areas where I've indicated there's a divergence of opinion, one being operating agreements and the other being the question of the buffer. There is no consensus around those questions. What I simply wanted to do was to get into discussion around those two areas. Now you've opened it up with regard to operating agreements, and I'm glad, because now we can talk about the two matters I think are at issue here.

Quite simply put, we're not going to have agreement, from what I can understand, with regard to these two items, and therefore we may have the filing of dissenting opinions, which is quite normal in a report. We don't need to endlessly discuss this and try to reach a consensus around an issue where there is a fundamental philosophical difference, perhaps. That's where we draw the line.

Let me just say this about those two areas. I don't believe there is agreement with respect to the question of a buffer. Unless I hear differently from someone on the government side, I believe the ministry has a diametrically opposed or a dichotomous situation on its hands. On the one hand they say they've developed a new demand analysis model, and on the other hand they say they're going to build a buffer. Well, which one is it? The two are incompatible. You can't have a new model for determining demand and in the same breath say, "We're going to build this buffer," which does not relate to demand. It's not a compatible position to be in, with those two things happening at the same time. So quite frankly I do not see it, and I cannot see how the explanation would be satisfactory around that.

The Vice-Chair: Okay. What I'm going to do is proceed to item 10. I think we've fully discussed some of the outstanding concerns with item 9 and Ray can work with Mrs Marland on that particular point.

Item 10, tracking construction market construction prices: Any comments or questions?

Mr Owens: What are you reading from?

The Vice-Chair: I'm back to the document from the Ministry of Housing responses that we started with what seems a very long time ago.

Mrs Marland: The construction prices are outside of land prices, correct? Thank you. I think a nod means yes, for the sake of Hansard.

The Vice-Chair: Yes, I think a yes was indicated, in the affirmative.

If there are no other questions, we'll go on to item 11, central management of information systems, referring to recommendation 15.

Item 12, internal audit practices, relating to recommendation 16.

Item 13, budgets and financial statements.

Now item 14, where there has been considerable discussion to date, concerning operating agreements. I know several members have put their concerns and opinions on the table, quite extensively, actually, during the last two meetings. What I'm going to ask now is, do members feel there is any consensus that we could reach as a committee on this particular item?

1040

Mrs Marland: This committee has asked when these operating agreements will be signed; the standing committee on estimates has been asked when they will be signed. As I was pointing out a few minutes ago, the standing committee on estimates Hansard of July 20 records that the target for them to be signed was going to be, to quote Mrs Herbert, the end of this year. That would be the end of 1993. I feel a great deal of concern for the fact that we have now been told it will be a year from now, which would be the end of 1994.

Was that information given to the auditor, that it would be the end of 1994?

Mr Cordiano: That's in our letter from the ministry.

Mrs Marland: Oh, it was in the letter. That's right. So we have two sources of answers, actually.

Mr Cordiano: Can I say on that, if you're finished, Mrs Marland—it's just to tie in something.

The Vice-Chair: Just before you give your comments, Mr Cordiano, there were two places where the Ministry of Housing had actually given a time line for when they anticipated the operating agreements would be completed. One was, I believe, in public accounts during our previous set of hearings, but the second was in the standing committee on estimates on July 20, where I had asked if they would achieve their target for the co-op sector of having it completed this summer and

Mrs Herbert at that time had said, "Substantially, yes." So details, if members would like them, are in Hansard for July 20 on estimates committee. Not all members of the public accounts may have been present on that committee.

Mrs Marland: That's what I just said.

The Vice-Chair: I know, but there are two different places where it was said. Mrs Marland, this is one area which has arisen time and time again. Do we have any consensus on the committee that committee members are willing to put in the report the dissatisfaction with the public accounts committee that the original time lines were not met and that in fact operating agreements will not be in place for an additional year over when it was committed?

Mr Cordiano: I'd like to put in my comments.

Interjections.

The Vice-Chair: There are several ways we can do this report. We can do it as recommendations; also, in the body of the report, where we have our original report and the ministry's response, the committee can indicate that we require further information or that we are dissatisfied with the ministry's response. There may or may not be a recommendation flowing out of that, but I was just saying, do we have any consensus on what to do about operating agreements?

Mrs Marland: Madam Chair.

Mr Cordiano: Let's discuss it.

The Vice-Chair: Mr Cordiano, then Mr O'Connor and then Mrs Marland.

Mr Cordiano: I think it's pretty clear from the response that was given to us by the ministry that there are not going to be in place operating agreements for at least an additional 14 months. To quote the report directly: "The ministry is currently developing operating agreements for private non-profits and municipal non-profits. The development, dissemination and execution of these documents will require up to 14 months." As far as I'm concerned, that's unacceptable. The ministry has had a considerable amount of time to do just that. The auditor's report is now almost a year old with respect to this. Pardon me; going back over a year that we've been discussing this matter, the report is actually almost two years old.

The whole question around operating agreements certainly has been given ample consideration by this committee. Our concerns have been expressed repeatedly to the ministry and there did not seem to be any recognition of the urgency with which the ministry needed to move on this matter. In my opinion, it is of great importance that the ministry had not moved earlier on this initiative and that to not have operating agreements means that, by and large, there's far less accountability in those individual projects, that we cannot measure the degree to which they're operating efficiently and whether they're following the guidelines and rules that have been set out. In fact, they have no rules or guidelines to follow, because those operating agreements do just that.

Let me ask the auditor, very briefly: If there are no operating agreements, then consideration has to be given with respect to what kind of direction the ministry gives in order for these individual projects to operate. In fact, there are questions around whether budgets were approved, how long it takes to do that, and in most cases—I think the quote was that half of the budgets were not even approved as of this year. I may be mistaken about that, but I'd like your comment on it.

Mr Peters: Can I ask Gary Peall to answer those points?

Mr Gary Peall: I think it was around 25% of the budgets not approved, yet there is risk as long as the operating agreements are outstanding. It hovers around several issues. The only real control the ministry has is over the budget. You could argue that they could always withhold funding if they found that a project wasn't complying with the rules, but that's very extreme and it's hard on the tenants when it's not necessarily their fault.

That really isn't a viable remedy, so it is important to us that the agreements get in place, and part of the delay does in fact centre around this tenant placement issue. Once the community-based systems are in place, presumably that will govern the clause that goes into the operating agreements on tenant placement.

Mr Cordiano: Just to reiterate my point, I make a very strong point that I could not support the measures that have been set out by the ministry because I think this is of fundamental importance and they've missed the mark. I would not on this issue say that I'm satisfied the ministry did all that it should have and has complied with our concerns regarding this matter; it has not moved quickly enough and therefore there's some question about its ability to operate efficiently.

Mr O'Connor: In taking a look at the draft report that we have before us—Mr McLellan, as always, has prepared us something that we can work with—it makes it a little bit easier.

One difficulty that I have is that it's not a recommendation, and I think if we take a look at his report on page 14 at the bottom, he does talk about the operating agreements and he does point out the fact that we didn't come up with a recommendation and there is some difficulty there. I think if we were to remove the very last sentence in that statement, the government members could be comfortable with what's reflected there. I think I have to again, which makes me somewhat nervous, agree with Mr Cordiano that the community-based system that he's had a discussion about with people from the auditor's office here is actually changing. It's

evolving. It's improving the system that has been there in the past, and my feeling is that it will better reflect the needs of the communities it is trying to serve in the future.

While we do have some disagreement in this committee around the wording of some parts of this, I would agree that what Mr McLellan has put together here as far as the operating agreements in the back of his report—if the last sentence was removed, I think it would probably reflect pretty closely something that would be agreeable by government members in this report.

The Vice-Chair: Just on a point of clarification: You're referring to the original report that Ray prepared, the draft report?

Mr O'Connor: Yes, page 14. It's dated September 7.

The Vice-Chair: What you're suggesting is that the committee's recommendation or comment would stand except for the last sentence on page 14?

Mr O'Connor: Which of course we've had much discussion around as far as the time frame that has been mentioned, because that has been a difficulty we've obviously faced and debated to a great degree in this committee.

It doesn't reflect a recommendation that takes away from anything our opposition critics have brought forward. I appreciate their difference of opinion and this committee's approach in a non-partisan way of trying to come up with a report that reflects that as well.

1050

Mrs Marland: It's great if we all climb into bed together in a non-partisan way and we're all lovey-dovey, but the fact remains that in this province today we have thousands of non-profit units operating without operating agreements with the people who are paying the tab. I'm sorry; on a personal basis, Mr O'Connor, I would enjoy very much being non-partisan and amiable with my colleagues across the room, but we have a very serious situation which was identified by the auditor in his 1992 report. That's why we are discussing this item at this committee level.

When I hear that the auditor says there is a risk to the taxpayers in this province to operate without agreements, and I hear the Ministry of Housing officials promise that those agreements will be in place by the end of 1993—they said that in July, which is three months ago—and now we have a letter from them saying, "Oops, sorry, it's going to be another 14 months," I do not find that acceptable. It's not acceptable that we have a situation where the government of this province does not know what's going on in the operation of its non-profit housing units in some areas.

Mr O'Connor: On the contrary, indeed they do know full well what's happening.

Mrs Marland: I don't have in my head this morning a ballpark figure of the number of non-profit units in the province today. Is it about 140,000? Maybe the auditor's office can answer this question. I can't remember.

Mr Peall: I think by 1994 it'll be about 101,000.

Mrs Marland: Say, for argument's sake, maybe 100,000 units in this province. We're saying that 25% of those do not have operating agreements.

Mr Peall: There are less than 100,000 operating right now. There was 25% at the time we did the audit, and they've given us an update on how they're proceeding. I'm sure it's less than that now; they are making progress. I don't know what the exact proportion is now, though. They haven't given us that.

Mrs Marland: The point is that, however generous we are with the progress that the Ministry of Housing may have made, we're still talking about thousands of units operating today in Ontario without their operating agreements signed. Frankly, I'm not an accountant or an auditor, and I don't pretend to have that responsibility as an elected representative, because we have people employed in the province for whom that is a responsibility. When those people turn around and tell us there is a risk when we have operations without operating agreements, that's good enough for me. I cannot support a report going from this committee that doesn't flag our concern that the ministry can't get its shop in order.

The ministry, within three months, has changed its answer again. When is the Ministry of Housing really going to know what is going on in its housing business? We have been saying, as Progressive Conservatives, that the government shouldn't be in the housing business to start with, but we're in it, and we're in it without any ground rules, in some cases; we're in it without these operating agreements.

Mr Owens: You did so well.

Mrs Marland: If you want to say, Mr Owens, that it's okay for these non-profit organizations to go out and continue to operate without signing operating agreements, which are a requirement—

Mr Owens: You should check your facts.

Mrs Marland: The Ministry of Housing is telling us that there are not operating agreements signed. That's good enough for me.

If operating agreements are a condition of how non-profit units are to be governed in this province, then I am saying we'd better get all the operating agreements signed and we'd better not be building more of these units if we can't keep up with the units that are already built. That's the real scary part: the number in addition to what exists today that this government is going to build in terms of more non-profit units. If we're going to build more non-profit units, and some of the existing ones we have are at risk financially because we don't

even have agreements with the ones that are built, we'd better get out of the housing business. That's all I'm saying.

I will be filing a minority report in this committee, on that section in particular, because the concerns are not being recognized. In fairness, we had the ministry in, we asked it how it was doing its business, we asked the ministry what is going on in its housing business, and they said: "Well, we're getting caught up. We're going to have these agreements signed and we plan to have them signed by the end"—well, her answer to your question was they would be substantially signed by the end of 1993. Now they're saying not even three months later than that; they're saying 14 months later. Madam Chair, I'm not at all satisfied with the situation of the outstanding operating agreements.

The Vice-Chair: I've spoken to Ray about this and about the various reports and what's been said. One suggestion he has is that we would put in the body of the report, as Mr O'Connor suggested, that the committee is dissatisfied with the length of time it is taking to get these important agreements signed.

Secondly, the ministry has given two target dates: one for six months from the time of the report in early October to have all co-op agreements signed, so that would be probably early April; and second, up to 14 months for the private non-profits and municipal non-profits.

Mr Cordiano: On a point of order—

The Vice-Chair: If I could just finish my sentence. It's been suggested that one recommendation of the committee could be that the Ministry of Housing report back on those two. Obviously, you are quite entitled to file a minority report which may go much further than that, but we are running out of time for this particular section and I think Ray would like to have something to work on and to bring back to the committee.

Mr Cordiano: On a point of order, Madam Chair: I do not think I can give Ray any sense of direction without further elaboration on these two matters. I need to put some more things on the record before I'll feel comfortable that we have a sense of direction, so it would be my suggestion that we come back to this. Those two issues that still need to be dealt with require further examination and I think we've run out of time today, so we're going to have to come back to those two matters at some point, perhaps next week.

The Vice-Chair: I believe next week we have scheduled for the Ministry of Health, but we'll have to have a steering committee meeting and decide how to deal with the balance of the report then.

Interjection.

The Vice-Chair: We are now going to proceed with the comments of the auditor on the public accounts, 1992-93 fiscal year.

Mr Owens: On a point of order.

Mrs Marland: In fairness, Dianne, Mr Owens had indicated he wanted to speak before you finished.

The Vice-Chair: The Chair had said he wants to move on.

Mrs Marland: That's not very democratic.

The Chair (Mr Joseph Cordiano): Order, please. Can I just take my seat? We're making the transition. If you will be a little more patient, obviously I have to move from my position as critic to now my position as Chair. Mr Owens, you had a point of order on the last item on the agenda.

Mr Owens: My point of order is simply that my name was on the speakers list. The member for Mississauga South was allowed to make some fairly partisan comments with respect to the report, and I think to deny my right as a member of this committee to respond to those partisan comments is, as the member for Mississauga South also accurately pointed out, not democratic. I want my place on the speakers list.

1100

The Chair: As a matter of courtesy I can do that. We have certain time lines we've set for ourselves with respect to items we're dealing with on the agenda, and this morning, by agreement of the subcommittee, we did agree to have the matter before us considered at 11 o'clock. Mr Owens, you wanted to make a point. Why don't you just do that.

Mr Owens: I'll be very brief. The one thing I do agree on saying with the member for Mississauga South is that this committee is not non-partisan, in fact; it's not the job of this committee to be non-partisan.

The member and her party on a daily basis slam non-profit and co-op housing. It's quite clear what their position is with respect to this type of housing. The member wants the audience out there in TV land and the audience here to believe that operating agreements not being in place means that co-ops and non-profit housing corporations are simply running amok and misspending the taxpayers' money with great abandon. I want to say that's absolutely and clearly untrue.

What I would like to have an understanding of is that from the auditor's perspective, there was an allusion to that, that in fact there is control being placed on these corporations, notwithstanding the fact that operating agreements are not in place. These housing corporations are simply not, as I say, running amok and misspending taxpayers' money.

The Chair: If I may, time is pressing. You made a couple of comments that I think the auditor has asked if he may respond to, because there was something you alluded to that he had said. Then I have to call it at this point to move on to the next item. I turn to the auditor.

Mr Peters: Mr Owens, the amount spent by the province annually at the time we did the audit was close

to $800 million a year, and these $800 million were governed by the operating agreements. If there is a significant proportion of those operating agreements not in place—and as we heard from the ministry, sections have not even been drafted for some of the municipalities—we would consider that expenditure not to be under control.

Mr Owens: For the purposes of accounting now, I guess I'm uncomfortable about the nature of that response, in that I don't understand whether that's a political response or a response based on—

Mrs Marland: On a point of order, Mr Chair: I think it's totally inappropriate for any member of this committee to suggest that the auditor is making a political response.

Mr Owens: No, I'm simply asking for clarification, with respect.

Mrs Marland: Well, that's what you're suggesting.

Mr Owens: What that means is—

The Chair: Can I have order, please. I think it's time to move on to the next item. I don't believe the auditor's comments at any time are intended to be biased or political in that respect. I would finish that statement off with that and move on to the next item.

1992-93 PUBLIC ACCOUNTS

The Chair: By agreement of the subcommittee last week, we decided to deal with the matter next on our agenda, which was the qualified opinion of the Provincial Auditor concerning the 1992-93 public accounts. It was deemed to be an urgent and important matter to be discussed by this committee. Of course, we've been dealing with a number of other items that have been before us for some time and attempting to complete those items, but today we will be dealing with this matter.

I turn to the auditor for his opening comments. He has an opening statement he would like to make to members of the committee, and then we'll open it up to questions by members of the committee.

Mr Peters: Just before I get into my notes on this matter, I would like to mention that Todd is preparing copies of my presentation for the members of the committee. Todd, is that going to be available within minutes?

Clerk of the Committee (Mr Todd Decker): It's being copied.

Mr Peters: Okay. The comments I would like to make on the qualified auditor's opinion are starting out with the statement that there are many positive aspects of the government's current financial systems which I have acknowledged. I would like to stress that for 1993, I have only taken exception to the net deferral of $528 million of payments to the pension funds. The many strengths of the current systems include the professional competence and dedication of government officers, good cash management procedures and a number of well-managed ministries and agencies.

Beginning in 1989 and through to 1992, the government preflowed expenditures. This means that expenditures were paid in and allocated to the fiscal year preceding the one in which the expenditure was actually incurred. The effect was that beginning with the fiscal year-end March 31, 1991, the government reported a lower annual deficit than what the deficit would have been had all expenditures been recorded in the accounting periods in which they were incurred. This can be seen from a table which I'm handing out to the members. Just let me go very briefly over the numbers.

In 1991, the government reported a surplus of $3.029 billion—a deficit, I apologize. Don't we wish we would be in a surplus position to that extent?

Mr Owens: I like those Freudian slips.

Mr Peters: It's lovely. I have to watch these brackets, Steve, but I don't make political statements—$3.029 billion of deficits, and the adjusted number would have been $3.7 billion. In 1992, it was reported as a deficit of $10.9 billion and should have been slightly over $11 billion. In 1993, it was reported as $11.9 billion and should have been close to $12.5 billion.

The Provincial Auditor commented on this practice as follows in the 1990, 1991 and 1992 annual reports. In 1990, the following statement was in the annual report:

"The effect of the government's recent practice of unbudgeted advance payments has been to shift expenditures forward into years for which they were not planned, thus affecting the comparability of the budgeted plan to actual results, an important accountability measure of the government.

"When such advance payments are not budgeted and are announced in the latter part of the fiscal years, there is a perception that the government is, in reality, managing and adjusting its actual results so they will more closely parallel its budgeted results. This, in turn, raises doubts concerning the integrity of the accounting process.

"Questions concerning the intent of preflows have been raised in the Legislature in both 1989 and 1990. Media comment has also been evident. In order to allay any doubts concerning the integrity of the accounting process, we recommend"—and this was in 1990—"that the government consider excluding any future preflows from expenditures and treating them instead as advances to be reported as financial assets at the fiscal year-end. These assets could then be appropriately converted to expenditures in the succeeding years."

In 1991—

Mrs Marland: What page are you on now?

Mr Peters: Page 2. In 1991, the Provincial Auditor reported:

"The practice of preflowing expenditures, particularly in the absence of a consistent pattern, can be viewed as an attempt to 'manage' operating results. To allay any doubts concerning the integrity of the accounting process, we reiterate the recommendation in last year's report, that the government treat preflows as advances rather than expenditures. These advances could then be reported as financial assets at year-end and appropriately converted to expenditure in the succeeding year."

In 1992, the Provincial Auditor reported:

"As stated in previous reports, the practice of preflowing expenditures can and has been viewed as an attempt to 'manage' the deficit, thus raising doubts concerning the integrity of the accounting process. We again recommend that the government treat preflows as advances to be reported as financial assets at the fiscal year-end. These assets could then be appropriately converted to and reported as expenditure in the succeeding year."

1110

In early 1993, my office began to consider what action to take on the budgeted deferred flow of the pension payments of some $584 million. We had found that this was the first time, to the best of our knowledge, that a material expenditure of the current fiscal year was deferred to the next fiscal period. I would like to remind you that previously we had only been talking about preflows. This was the first time we are talking about deferring a flow. The amount of this deferral also significantly exceeded our materiality limit in auditing the public accounts of the province.

Technically, this shift of expenditure was the result of delaying payment by one day, because the message was: If this amount is paid one day before April 1, it is an expenditure of the year ended March 31, 1993; if it is paid one day after March 31, it is an expenditure of the year ended March 31, 1994. What was overlooked, except for paying an interest penalty of at least $2 million, was that the expenditure had actually been incurred in the year ended March 31, 1993. To be specific on that, it had been incurred in the month of December 1992, in January 1993 and in February 1993.

We concluded that this treatment of the pension payments was an inappropriate shift of expenditures between two fiscal years. As well, it illustrates the permissiveness of the current accounting rules. We also concluded that the accounting rules used were inappropriate because they permit the time when payment is made to determine when the expenditure is recorded.

It is a fundamental principle of accounting and financial stewardship that revenue and expenditures must be recorded in the accounting period during which they were earned or incurred. The deferral of the $528 million of 1993 expenditures led us also to question the future appropriateness of the modified cash basis of accounting used in keeping the books of the consolidated revenue fund. In case some of you are wondering right now why I referred to $584 million and now to $528 million, there was a netting effect. There were also some preflows that account for the difference. So we reported to a net amount of $528 million. But nevertheless, the $528 million of 1993 expenditures led us also to question the future appropriateness of the modified cash basis of accounting used in keeping the books of the consolidated revenue fund. I'm repeating this because of the importance.

The other major reason why we recommended the adoption of more prescriptive rather than permissive accounting rules is the result of the formation of the capital investment corporations as set out in Bill 17. While I raised our concerns about the accountability of the management of these corporations at the standing committee on general government, I would like to focus here on the accounting for their activities as part of the government's financial operations. Our concern here is twofold:

(1) These corporations should be included in determining the financial position of the province because they are carved essentially out of the consolidated revenue fund but are nevertheless under the control and fiscal responsibility of the Legislative Assembly.

(2) Any funding provided to or through these corporations and contemplated to be repaid out of future voted appropriations should be recorded as expenditures of the period in which the funding is originally provided. This would follow rules established in 1986 by the province for such funding. This would properly reflect it as a grant and not, as appears to be contemplated, as a financial asset of the province. It is not an asset, even if flowed through a capital investment corporation. For this and for any other transaction, we must insist that form cannot and should not prevail over substance.

For these reasons, we strongly urge that the government adopt the recommendations of the public sector accounting and auditing board of the Canadian Institute of Chartered Accountants, and we have outlined in the auditor's report the financial stewardship and reporting goals of, and I quote directly from the report here:

"Reflecting revenues and expenditures on an accrual basis of accounting, including the value of pension benefits earned by employees, in order to reflect revenues and expenditures in the determination of the surplus or deficit for the period in which they are considered to have been earned and incurred, respectively, whether or not such transactions have been settled by the receipt or payment of cash or its equivalent."

The second point or the second goal is "the inclusion of all organizations owned or controlled by the government, in order to provide an accounting for the full nature and extent of the financial affairs and resources for which the government is responsible."

There is no doubt that achieving these goals takes effort and time as well as reasonableness and goodwill of all involved in this process, and I am most encouraged by the statement of the Minister of Finance in a letter to me of October 18, 1993:

"I also continue to believe strongly in the need for appropriate accounting approaches to fully reflect the valuable economic contributions of public capital investment.

"I do agree with you that the government of Ontario accounting practices can be revised to reflect the significant advances in accounting practices in the public sector. In particular, I note your support for the recommendations of the public sector accounting and auditing board of the Canadian Institute of Chartered Accountants.

"There is no question"—this is still the minister speaking—"that implementation of the public sector accounting and auditing board recommendations represent a major shift from the established practices of the government of Ontario. The changeover will be necessarily time-consuming and challenging.

"To ensure that appropriate measures are undertaken, my ministry officials are analyzing and evaluating the impact of the public sector accounting and auditing board recommendations for the year-end March 31, 1994. They will strive to implement them in that fiscal year. I have asked that they continue to meet with staff from the Office of the Provincial Auditor to determine the most appropriate application and that I be kept closely informed."

I would like to conclude with a further advocacy. We have gone a long way by the minister accepting the recommendations we have made in the auditor's report and I'd like to push the boundaries just a little bit further with a closing comment. This is me speaking again as the Provincial Auditor; I ended the quotation from the minister.

I, as the Provincial Auditor, also advocate that the government adopt the same accounting rules for future budgets as it has for the reporting of the public accounts. This would permit the comparison of actual results with the budget on a consistent accounting basis, because one of the goals that we have is that ultimately we are talking about a number, be it surplus or deficit, that is determined using the same accounting rules.

The Chair: I will now allow for questions and we will rotate as we normally do, starting with the official opposition. There's approximately 40 minutes left, so I will try to divide the time evenly. Perhaps we can start with 10 minutes for each caucus and allow for the last 10 minutes to wrap it up. Mr Phillips, you're first.

Mr Gerry Phillips (Scarborough-Agincourt): I want to take my hat off to the Provincial Auditor, because I think he's done the public an enormous service here. I don't think there's any doubt that the way the finances of the province are reported doesn't reflect currently the state of the finances of the province. My concern is that it is getting worse rather than getting better and that this year, the fiscal year we're in, there are five or six, in my opinion, very questionable areas of reporting. I yesterday took the opportunity to send the Provincial Auditor a letter on it. He may not be able to respond today to each of the points I raised, but I think the budget has, as I say, several areas where I think there are very questionable practices.

The pension delay that you mentioned: The thing that offended me the most about it was that I think it was done purely for optics, to report a deficit lower than the real deficit. In my opinion, it cost the taxpayers almost $5 million, just for the optics of reporting a number $500 million lower than it really was, because the taxpayers were required to pay 11¼% interest on that money when the money could have been borrowed on the market at around 7¼% to 7½%. That went right down the drain. The taxpayers got nothing for that $5 million. That was a $50,000-a-day penalty, for nothing at all other than the optics of reporting a lower deficit than reality. I was offended by the tactic. As a matter of fact my leader, Lyn McLeod, on May 4, 1992, sent a letter to the Provincial Auditor outlining our concern about that very matter. This was about four days after the budget.

1120

I also happen to think that in the current budget there are a number of other areas. I think the Provincial Auditor in his presentation today highlighted it, but in my analysis, the province has shifted $600 million of provincial debt on to the school boards' books and the hospitals' books by moving to what it calls loans-based financing. It sounds good in theory, but it's asking the school boards to go and borrow $600 million that the province owes; the province owes 100% of that and it's required to repay that, but the debt will show up on the school boards' books.

The province also is planning to sell about $500 million worth of jails and courthouses and then lease them back instantly. And who are they selling them to? One of the crown corporations the auditor has talked about. That, in my opinion, is smoke and mirrors. I think it's a good idea to sell surplus assets, but to sell jails and courthouses and then instantly lease them back, in my opinion, and I'm looking for the auditor's response, is simply fooling ourselves.

The auditor, I now see from his presentation, is recommending a better accounting of what I call the off-book agencies, but in the last 12 months this government has set up eight new what are called schedule 4 agencies. I call them off-book agencies. They will move 4,000 public sector employees off the government books, off to the side, and move literally billions of

dollars of spending off to the side. I'm very supportive of your recommendations on how that's reported.

Also, on the social contract savings, I think there are some real question marks. Of the $2 billion, $700 million of the social contract savings are in reduced contributions to the pension funds. Now, that may or may not be justified, but I can't get a handle on it. We can't get a handle on that, and we'll look to the Provincial Auditor to give us some input.

I guess I want to do two things. One is to very much support the auditor's recommendation that we move to adopting the accounting standards he proposes—as a matter of fact, we proposed that in our response to the budget this year; that was one of our caucus's recommendations—and to say you certainly have the full support of our Liberal caucus on that.

The question I would ask the Provincial Auditor, though, is whether he's had an opportunity yet to review the letter I sent yesterday, and whether some of the things I've raised are concerns he shares or whether he can perhaps help me with my concerns that I shouldn't be as worried about. I hope he got the letter yesterday.

Mr Peters: I did.

Mr Phillips: Okay. So that's the question.

The Chair: Maybe I should ask the auditor if he's prepared to delve into that letter, or do you want specific questions?

Mr Phillips: We raised issues some of which I think may be answered in his presentation today by his recommendations. I wonder whether he's had a chance to review these and whether he shares our concerns, and whether if we adopt your recommendation, that will solve these concerns we've raised.

Mr Peters: There are a number of issues I can bring to the table in response to your letter, and I thank you very much for the research that has gone into pointing these out.

The first is that as a matter of practice I give an audit opinion actually on the financial statements; I do not give an audit opinion on the budget of the province. That is why, in the end, I was advocating using the same rules for both. Most of the items at the moment for the current year are the budgeted items, and we will have to take a look at how they are reflected actually in the accounts once the transaction is taken, but in the statement I have very clearly put the province on notice that we will look at the substance of the transaction, not at the form. We will ensure in our auditing that the actual transaction, the economic reality of the transaction, is reflected in the accounts of the province.

This relates to the items you have related; for example, we will very carefully look at the $608-million budget proposal to give money to the schools, hospitals and municipalities. We will also take a look at the other items such as the sale of the jails and the leaseback. Another item we will have to look at very carefully is the actual achievement of the savings resulting from the social contract. So at the moment we are looking at proposals made in the budget on which I am not prepared to comment because that's outside the scope of our audit, but once these entries get into the accounts of the consolidated revenue fund or these corporations we will certainly look at them very closely and see that they are properly accounted for and recorded.

Mr Phillips: On page 1 of your presentation, using your revised methods, using what you and I might regard as good accounting practices, you feel the deficit is more in line with what is down the right-hand column.

Mr Peters: Yes, that is what should have been reflected for those years up to 1993.

Mr Phillips: On a perhaps more detailed question on last year's numbers, my belief is that the delay in the pension payment cost closer to $5 million rather than $2 million. The government could have borrowed on the market—90-day treasury bills at that time were around 7.3%—but it paid 11¼%. Am I drawing a fair conclusion that the price we paid for that delay was approaching $5 million?

Mr Peters: In my presentation, I refer to it as at least $2 million. We have not done a precise calculation, but the $2 million seems to be the bottom of the expenditure and, as you say, depending on the numbers one uses and the assumptions one uses, the number could be higher.

Mr Phillips: If I could try and get your interpretation of the response from the Minister of Finance, would it be your expectation that there is an acceptance by the government of the public sector accounting and auditing board recommendations and that it is its plan to move to that as expeditiously as possible?

Mr Peters: Yes, to the very last part of your question. They are certainly carrying out the analyses right now that are required. I agree with him; it is quite a shift and requires a lot of analysis and calculation. At this red-hot moment, and my information is as late as yesterday, these analyses are not yet prepared but they are being prepared. We had given quite a bit of notice. I told the ministry on April 8, 1993, that this was the direction we were going in, and of course they had to close the accounts for the province in between; that takes a bit of effort. As soon as that was through, they started on this work.

The Chair: One final, quick question. There's one minute left, Mr Phillips.

Mr Phillips: Regardless of how the government proceeds, it is your intention to comment on the 1993-94 statements on the basis of their having been kept in line with the public accounts recommendations.

Mr Peters: That's correct.

Mr Phillips: Your report on the 1993-94 books will say what the deficit would have been had the government followed the accounting procedures that you as a Provincial Auditor are recommending.

Mr Peters: We very much hope to get to that stage together with them because there's quite a bit of analysis work involved, but that's the target.

Mr Phillips: That will be very useful.

The Chair: Thank you very much. Mrs Marland is next on the list.

1130

Mrs Marland: First of all, I would like to congratulate the auditor. I think the people of Ontario have to recognize that we are very fortunate to have an auditor in this province who is not willing to sit back and see something happen that is totally contrary to the interests of the taxpayers.

I can use words that I recognize the auditor can't use, and I certainly heard Mr Peters's opening comments in which I think he was being very fair to the government. But I think anyone reading through the rest of this report today will see it for what it is: It is a very damning indictment on the bookkeeping of this government in this province in this year.

I think the people of this province have a great deal to be concerned about if any government has the kind of bookkeeping to the extent that, for the first time in the history of this province, we have an auditor who has concerns to the degree that Mr Erik Peters has. For the first time in this province, the auditor has not been willing to give an unqualified opinion on how the province is doing the business of keeping its books.

The auditor can't use language such as "cooking the books," but as someone who isn't an auditor—I am a layperson in this field, but reading the auditor's statement before us today confirms essentially that the provincial government has been cooking the books. I hope, as a matter of fact, we will never have to be faced again with such a damning indictment of any provincial government in Ontario.

The concerns, Mr Peters, that you've identified about the offloading of some of the financial management in this province by the formation of new crown corporations, as under Bill 17, are the concerns I'd like to address to you in my questions. You have said, first of all, that the government has agreed to your recommendations of new accounting procedures. I am encouraged that at least they have accepted that much, but my concern is, will those new accounting procedures force the government, with its new crown agencies—in other words, this money it's going to sidestep and put in another pocket—to make those agencies report back to this same consolidated revenue fund figures that they had originally? I know they're setting up a new shop here with the new crown agencies, but what happens to the debt load that will be shifted when this bill is proclaimed establishing these agencies?

Also, you have said in your recommendations that it should include all organizations owned or controlled by the government. Mr Peters, would that include all government agencies, boards and commissions that have a financial tie to the government? I'm thinking right away of Ontario Hydro, for example. Is there a way, through your recommendations, of controlling the bookkeeping procedures of Ontario Hydro as an example of all organizations owned or controlled by the government?

Mr Peters: The answer to that question is that we have to analyse every situation very carefully. Ontario Hydro is currently reflected in the consolidated revenue fund through the debt that the province takes on in its name. That is reflected, then, as a recoverable from Ontario Hydro. Also reflected in the accounts are the guaranteed payments that the province makes out of the consolidated revenue fund.

It would be quite a judgement call whether all of Ontario Hydro should go in, on the basis that, although some control is exercised by the government, the revenue source for Hydro is actually out of the fees paid by consumers of electricity in the province and therefore it does have an independent revenue source. The extent to which the province actually can control that revenue source would determine to a great extent the inclusion or exclusion of Ontario Hydro. My instinct is that it is not likely that all the operations of Hydro will find their way into the books of the province.

Mrs Marland: Are there any crown agencies other than the schedule 4 we've referred to that should come into this new bookkeeping procedure?

Mr Peters: We are currently doing a head count of these. I don't know, Mr Leishman, if you would like to comment on that a bit further.

Mr Kenneth Leishman: The head count is being done by the controller's office of the ministry of treasury right now. I know that as of yesterday they hadn't come up with a final total of agencies that would be consolidated with the consolidated revenue fund, but some examples would be TVOntario, Ontario Place, the Ontario Science Centre, agencies like that.

Mrs Marland: So you don't have the answer to that question today.

Mr Peters: No, that is being worked on. That's some of the work that is being done.

Mrs Marland: Even though some of these other agencies are multimillion-dollar operations.

Mr Peters: Very much so.

Mrs Marland: Are they of concern to you?

Mr Peters: Yes, they are, and the way they will be reflected in forming a view of the financial position of

the province as a whole. They are of concern and they will be looked at one by one.

Mrs Marland: Do you see any effect of your statement today, which is a confirmation of what's been going on with the bookkeeping in this province, on our credit rating because we now know publicly that the provincial NDP government's been cooking the books? Is there going to be any effect on our credit rating?

Ms Margaret H. Harrington (Niagara Falls): The auditor didn't say that.

The Chair: Order, please.

Mrs Marland: Just read the report.

Interjections.

The Chair: Order. Mrs Marland has the floor.

Mrs Marland: This is the first time in the history of this province that this has happened. What effect, if any, might this have had on our credit rating?

Mr Peters: The answer is probably none, although in future it will be a positive. In other words, any credit rating agency will look forward to better accounting. But it is not a negative now. We have contacted some of the rating agencies on this, because the analyses that we are proposing—they essentially, in analysing our accounts, have done exercises such as the one Mr Phillips described. They take the budget and they discount and add and deduct, and they come to their own numbers. They carry out very careful analyses, and these analyses were carried out. That's why my answer is that they are not.

The Chair: Mr Stockwell, you have approximately two and a half minutes left.

Mr Chris Stockwell (Etobicoke West): Quickly, I applaud you as well. I certainly think it's about time we had an auditor with a backbone.

Interjection.

Mr Stockwell: Look, I'm saying it. Fine, I have two and a half minutes. He has a backbone; good thing. The previous auditor, in my opinion, was complicit in some of these things. We preflowed for 15 years; that was a mistake. All governments did it. Granted, that was almost Mandrake-like in magician's smoke and mirrors; this government's taken it to Houdini-like levels.

My question has to do with the $600 million to school boards. Why can't you tell us right now that they have to show that in their debt books? Clearly, it's nothing but smoke and mirrors. They're telling the school boards to go out and borrow the money for capital improvements—"We'll guarantee the loan, we'll pay you back"—to move the debt off the books so they can fool the taxpayers again. Why can't you tell us right now that it is just unacceptable and no auditor would sign off on that kind of stuff?

The Chair: Let's find out from the auditor what he has to say.

Mr Peters: If it is reflected as it is in the books of the province, then I can comment upon it, but it's not yet reflected in the books. I do not know how the Ministry of Finance wants to deal with this transaction in the books, because the corporations to which it is flowed are currently still being set up. I don't think they will be operational before January. We will look at the transaction.

1140

Mr Stockwell: Okay, let me ask you this, very hypothetically: If they do set it up the way they suggested they're going to set it up and tell the school boards and the hospitals, "Go out, borrow money on our behalf and we'll pay you back," will you insist that it become part of the deficit, part of the debt, of the province, if it's a guaranteed loan from the provincial government?

Mr Peters: If it is guaranteed. If the current intent, as it is stated now—I'm putting a little bit more into the question than you asked me—is that this money is to be repaid out of future appropriations of the province—and this is what I'm saying in my statement—and not out of other sources of revenue outside the consolidated revenue fund, yes, I would think it would be an expenditure for the current year.

The Chair: One final question.

Mr Stockwell: The Treasurer has suggested since day one—and I've been arguing this point with him all along, about the fact that I suggested a couple of years ago that they were cooking the books. I remember sitting here debating that issue. The government may argue the point of view, but I believe it was cooking the books. They've been cooking them for a few years, and the benefit is to convince the people that the debt is less than it truly is. I mean, that's the game plan, and your table shows it. Floyd Laughren was trying to tell everyone in the province of Ontario we owe less money than we really do, and some would suggest that's almost fraudulent.

You're suggesting it won't affect our credit rating. Can I ask you, won't it affect our credit rating? Because the only people the Treasurer certainly couldn't fool, other than maybe some opposition, is the bond rating agencies. They're not kidded by this kind of cooking of the books and they've appropriated our credit rating based on the fact that we have a higher debt than actually reported.

Mr Peters: Two points on that: The credit rating agencies have been aware. They're delighted with what we're doing, because that means that the reconciliation—

Mr Stockwell: Is a lot simpler.

Mr Peters: —is a lot simpler for them.

Mr Stockwell: But they've been reconciling.

Mr Peters: They have been reconciling. But on the

other part I'm under no impression—and I would have reported on that if the debt were actually higher. The debt is stated as it is. That is a careful analysis that we can confirm with the people who—

Mr Stockwell: The deficit, I meant to say.

Mr Peters: The deficit, yes, that's a different story.

Mr Stockwell: It's been higher and they've been trying to convince people that it's actually less than it truly is.

Mr Peters: Well, that would be—

Mr Stockwell: I hate to put your back to the wall, but I'm going to.

The Chair: At this point we'll move on.

Mr Stockwell: Quickly, then, why would anyone do what they did? The only explanation can be that they're trying to convince people the deficit's less than it was.

The Chair: I'm going to have to interrupt, because we've gone over the time that was allocated.

Mr Stockwell: It's a pretty tough question to leave the auditor hanging on, though.

The Chair: Very briefly. Just to be fair to all three parties, there's limited time, so I want to stick very closely to the time allocation.

Mr Peters: I'll answer the question in this way, and it may not please any one of the parties, but the difficulty—and this is why I made this advocacy statement at the very end—is really that we have to come clean on what accounting rules we want to use when we budget. Over the history of the province, budgeting has been a mix of statements of cash flow or expenditures or revenues, and all three have been, in a way, mixed up. There has to be a careful analysis conducted. And it's not just this government; it has been most governments.

Mrs Marland: That's why you're saying use it for future budgets.

Mr Peters: Use it for future budgets; come up with one clean set of rules that say, "This is how we budget and this is how we account for the transactions." What has happened in the past is that we have not had these clean rules.

Ms Harrington: The first thing I want to clarify is that in the first member's comments he mentioned $5 million with regard to the pension payments' interest. In the auditor's report which he presented to us just today, or his comments, he mentions $2 million. There seems to be quite a discrepancy there, and I would believe this one. Mr Auditor, would you like to comment?

Mr Peters: I said at least $2 million. That is the bottom number. It depends on the assumptions. Using Mr Phillips's assumption, it could have been as high as $5 million. I would agree there's a variety. All it means is that we have to apply an interest rate to a very large amount of money, and it really depends on which interest rate you're using, the one at which they're currently borrowing compared to the one they're earning on investments, just exactly which way it goes. But it could have been as high as $5 million. These are not numbers grabbed from the air; they are there.

Ms Harrington: But you do mention $2 billion; you say at least $2 billion.

Mr Peters: At least $2 million, yes.

Ms Harrington: Sorry, $2 million.

The media have suggested that the auditor has not signed the books. Obviously that is wrong because your signature is right here, so I think I'd like to clarify that. In fact, you do say very clearly here:

"In my opinion, except for the failure to record expenditure in the year in which it has been incurred as described in the preceding paragraph"—referring to the pension payments—"these financial statements present fairly, in all material respects, the financial position of the province's consolidated revenue fund as at March 30, 1993, and the results of its operation and the changes in its financial position for the year then ended in accordance with the accounting policies stated in note 1 to the financial statements."

I think it's very clear what your position is. I do want to make reference to the word "qualification" in your endorsement of the books. If there is a qualification, it certainly does not mean the auditor does not endorse the books, isn't that correct?

Mr Peters: No, it means just that. Maybe I can just walk you very quickly through the three alternatives that are available to an auditor under these circumstances.

If the amount had been small enough and the procedure insignificant enough, then we could have given a so-called unqualified opinion. As it is, we gave a qualified opinion which says that one part of these financial statements, or one amount, has not been properly reflected.

The third alternative—and I should confess to you that we had contemplated that, but did not do this in light of all that we saw—is what is called an adverse opinion, and that is where the auditor comes out with the clear opinion that it does not fairly present. We did not give an adverse opinion. We qualified on the specific expenditure, and I think I'd like to refer you back to the opening paragraph of my statement in which we acknowledged the accounting procedure. We were able to identify—

Ms Harrington: But a qualification does not mean you do not endorse the books?

Mr Peters: I endorse the books except for the failure to do this certain thing.

Ms Harrington: Okay. I'd like to point out that I believe federally over the last 12 years there has always been a qualified endorsement of the budget.

Mr Peters: No, of the books.

Ms Harrington: Yes.

Mr Peters: But one small correction: There was one year where they did give an unqualified opinion. I'm not sure which exactly.

Ms Harrington: Okay, one year out of 12 federally that was unqualified; the rest have been qualified endorsements of the books?

Mr Peters: That's right.

Ms Harrington: Thank you. One further thing I wanted to mention: You talked about meeting with the minister and his officials and working towards an agreement on the best way to do this accounting in the future. I understand you've met with him quite recently. Could you update the committee on any further progress in that regard?

Mr Peters: We didn't discuss progress. What I discussed with the minister is that he had written me a letter. It is standard practice for me, before I include a document of this nature, that I would discuss with the minister that he's in agreement that he is quoted in this fashion. Most of our conversation related to his agreement to permit me to quote him in the fashion that I've done in the report. The second part: A long discussion took place essentially on what I do on budgets versus what I do on the financial statements of the province.

At the same time, in the discussion, there were ministry officials there as well and they assured me that they continue to work on the analyses and the work that is necessary to strive towards this goal for the—

Ms Harrington: In effect, you and the Minister of Finance are working together?

Mr Peters: Definitely, as he expressed in his letter; I would not have put it in if I didn't believe him.

Mr Owens: Mrs Marland quite substantially covered the ground I was intending to cover with you.

Ms Harrington: I'm not Mrs Marland.

Mr Owens: Sorry, Mrs Harrington.

The Chair: That's a Freudian slip.

Mr Owens: Which side am I on here today?

Mrs Marland: I thought it really was a love-in.

Mr Owens: We'll just leave that right where it is, in view of the television cameras here.

Interjection: Take it slowly.

Mr Owens: Yes, this is a sheltered workshop. Terms of being the minister's parliamentary assistant, I want to tell you that we appreciate the tough and clear language with respect to your recommendations. As the minister has indicated, we have accepted your suggestion with respect to the PSAAB accounting process and we are working diligently to get to that goal.

I guess in terms of some of the things that have come from the other side, and I listened quite carefully to the messages that you've sent out, you may have understood that, but in terms of the references to cooking the books and flimflammery and moving things around, in your looking at the accounts of the province, in your opinion, did you see any kind of manipulation or cooking the books or any kind of intentional moving of figures around to reflect perhaps a rosier picture than is actually there?

1150

Mr Peters: Only to the extent that I've pointed out in my opinion.

Mr Owens: Thank you.

Mrs Marland: Could we have another five minutes?

The Chair: I don't think this is the time for five minutes. How about two and a half to three minutes? The bells in the Legislature will probably ring before we go through that. So we'll start with Mr Phillips for about three minutes.

Mr Phillips: I want to follow up on Mr Owens's comments, because I think when you see words in the auditor's report like "the practice of preflowing expenditures can be and has been viewed as an attempt to manage the deficit, thus raising doubts concerning the integrity of the accounting process," that comes very close—I've avoided the words "cooking the books" because I have a lot of personal faith in the Minister of Finance. I value his integrity, so I've avoided the words "cooking the books," but this comes as close to cooking the books as you can get without being accused of cooking the books.

I don't think we should in any way underestimate the message we're getting from the Provincial Auditor. He is saying that in his opinion this is an attempt to manage the deficit and that it puts at risk the integrity of the process. I think that for the financial community that's a very strong message that says the books are at least fudged.

In response to the other comments, I asked back in June 1992 on this, on the interest rates, the premium we're paying for this scam almost of moving $500 million of payment due January 1 to April 1. That cost, in my opinion, without any doubt, $5 million. I asked the Treasurer, the Minister of Finance, "What kind of interest premium are we paying?" He said in response, "Yes, the amount we can borrow ourselves is much lower than the interest we're paying the teachers because of the agreement, much lower." He confirms that we are paying 11¼%. He indicates at that time—this is in June 1992—the cost was at least $2 million. That was the Minister of Finance. That may be where you got your $2-million figure. Six months later, when the transaction actually took place, I looked at 90-day treasury bills and the government could have borrowed that money at 7.3% and saved the taxpayers $5 million. That went right down the drain.

There is a question of credibility for the government

in all this, but there's a subissue of, without any doubt, just straight out-and-out waste. As I say, I've avoided saying "cooking the books," but now that you've raised it, I think that the auditor has come as close to saying: "Listen. This has put at risk the integrity of the process." That's why I think there's a sense of urgency of this committee supporting the Provincial Auditor in his quest to get the government to move very quickly to change the books. Again, I can take my hat off to the Provincial Auditor for doing us a service.

The Chair: Thank you. Mrs Marland, we've run out of time.

Mrs Marland: Mr Chairman, you know, it's very interesting to hear an NDP government member ask the auditor if in fact they were cooking the books, using my words. You know why it's interesting? Because you still got a qualified answer from the auditor. You still got the auditor saying, "No, with the exception of those areas that I identified." So in fact the auditor is trying to tell you something and you still don't hear it. You're still defending what has gone on.

Why don't you say, "We don't agree with what's gone on"? Your Treasurer is saying he's willing to change the accounting procedures, so why don't you accept that what's gone on is wrong? It's morally wrong; it's financially wrong. I don't know what it takes to get through to you. This has been a practice described as "inappropriate shift of expenditures between two fiscal years." How much clearer does it have to be, to put in it black and white?

Mr Auditor, the question that I have to you is, based on the establishment of these crown corporations under Bill 17, which again I say is simply moving money out of one pocket into another, do you have any comment to make about how that might affect future privatization of those crown corporations? And what happens with the debt they carry with them? Where is the future of privatizing Ontario Hydro, for example? Who will assume that debt as a crown agency of this government?

Mr Peters: A tough question to answer because there are really three parts to it.

Firstly, the corporations that are currently being established were established with the intent of privatization. One of the encouraging features of their establishment is that they will follow generally accepted accounting principles, which are the accounting principles used in the private sector. This is the only way that the government, with the other accounting principles that it uses, actually could attract private investors or attract private interests. So purely from my perspective on the accounting area, this seems to be a sound step in that particular direction.

On the second part of your question, I do express a concern, which is that if these corporations continue to be outside the books of the province, we really will have difficulty to determine what the actual financial position of the province is. That relates to the third part of your question, and that is that if these corporations have borrowings and do other transactions and we keep this out of the financial position of the province, we may not get the whole picture. That is why I made that encouraging comment of, "Let's bring them in under the umbrella and reflect them in some way."

Mrs Marland: So you share my concerns.

Mr Peters: I do, yes.

The Chair: Mr Bisson for two minutes.

Mr Gilles Bisson (Cochrane South): I think we've been treated to a number of speeches on the part of the opposition parties in regard to what you have presented to this committee. What I have taken out of this in reading your report and in what has been said here today is that you're basically saying that in regard to the cash management, the auditing practices and the way the budget is reported in regard to the books is okay in regard to the cash management and in regard to the way the number of ministries have been managed. Basically, what you're doing here is that you're not condemning an entire process, how the budgeting process is done; what you're saying is that you have a question about one particular practice that has been done for a while and you're asking the government to take a look at it.

Interjection.

Mr Bisson: I see we have another debate. I wonder if you just can comment on that.

Mr Peters: If I may, I hate to disagree with you on this particular point, but my comments are somewhat more far-reaching. We are questioning the relationship between the budget and the actual accounts.

Interjections.

The Chair: Order, please.

Mr Peters: Thank you. We are advocating the accrual accounting, which it's not currently, getting away from the modified cash basis in which recording of expenditures is actually determined by when they're being paid as opposed to when they are actually incurred. So that is very far-reaching and that is actually where most of the analysis work is being conducted.

The other part which we are recommending and which is commented on is that after having carved corporations out of the consolidated revenue fund, there must be some concern now as to how we reflect the financial position of the province, taking all its financial activities into consideration. So those are the two key things that we would like to see in there.

The Chair: I believe, Ms Poole, you had a point of order and you wanted to raise a motion for consideration.

Ms Poole: That's right. The motion was my point of order.

I move that the public accounts committee express our complete confidence in the Provincial Auditor, Mr Erik Peters, and recommend that he continue his diligent efforts to reform the accounting system of the government of Ontario.

Mr Stockwell: That's a fabulous motion.

Ms Poole: The reason I raise this motion is that I was quite distressed at one comment of the Treasurer, where he implied that Mr Peters had some difficulty understanding what was going on because he was new. I think the auditor has shown, since he took office, that he has an excellent understanding of the government books and of the necessity to have the system reformed, and I would like to express our complete confidence in him.

The Chair: Any quick comments on that?

Mrs Marland: I have a point of order.

The Chair: A point of order will be entertained first.

Mrs Marland: The point of order is that I'm quite happy to debate a motion if the committee agrees to extend the sitting time. So what are we going to do? Are we going to have this motion and extend the sitting time? Frankly, the auditor has already done this. We're grateful for the fact that he has already done his job, and he doesn't need a motion to continue to do the job he's already done in an exemplary fashion.

The Chair: Can I just try and help with regard to the time lines here? If there is general agreement that the motion not be debated, then the motion can be put on the floor for a vote. If there is no consensus, then we will have to defer this for further debate. Is there a consensus?

Mr Stockwell: It doesn't matter; he's doing it anyway.

Mrs Marland: He's doing it anyway.

The Chair: Obviously, there's no consensus.

Interjections.

The Chair: Order. To get some sense of order on this, if there is no consensus, then obviously there is further debate required.

Ms Poole: I move that the question be put.

The Chair: There has to be some debate around the matter, and obviously there is no consensus. Before I entertain that motion, there has to be debate on the original motion. Any further debate on this matter? No debate? If not, all in agreement with regard to the motion? All in favour? Passed unanimously.

That concludes our deliberations this morning. Until next week, we are adjourned.

The committee adjourned at 1202.

CONTENTS

Thursday 21 October 1993

Annual report, Provincial Auditor, 1992: Ministry of Housing P-347
1992-93 Public Accounts P-355

STANDING COMMITTEE ON PUBLIC ACCOUNTS

*__Chair / Président:__ Cordiano, Joseph (Lawrence L)
*__Vice-Chair / Vice-Présidente:__ Poole, Dianne (Eglinton L)
*Bisson, Gilles (Cochrane South/-Sud ND)
Callahan, Robert V. (Brampton South/-Sud L)
Duignan, Noel (Halton North/-Nord ND)
*Frankford, Robert (Scarborough East/-Est ND)
*Marland, Margaret (Mississauga South/-Sud PC)
*Murphy, Tim (St George-St David L)
*O'Connor, Larry (Durham-York ND)
*Owens, Stephen (Scarborough Centre ND)
Perruzza, Anthony (Downsview ND)
Tilson, David (Dufferin-Peel PC)

**In attendance / présents*

Substitutions present/ Membres remplaçants présents:
Arnott, Ted (Wellington PC) for Mr Tilson
Harrington, Margaret H. (Niagara Falls ND) for Mr Duignan
Phillips, Gerry (Scarborough-Agincourt L) for Mr Callahan
Wessenger, Paul (Simcoe Centre ND) for Mr Perruzza

Also taking part / Autres participants et participantes:
Office of the Provincial Auditor:
Peters, Erik, Provincial Auditor
Peall, Gary, director, ministry and agency audit branches
Leishman, Kenneth, executive director, reporting and special audits
Stockwell, Chris (Etobicoke West/-Ouest PC)

Clerk / Greffier: Decker, Todd

Staff / Personnel: McLellan, Ray, research officer, Legislative Research Service

CA2ON
XC21
-P12



P-19

ISSN 1180-4327

Legislative Assembly of Ontario

Third Session, 35th Parliament

Assemblée législative de l'Ontario

Troisième session, 35e législature

Official Report of Debates (Hansard)

Thursday 4 November 1993



Journal des débats (Hansard)

Jeudi 4 novembre 1993

Standing committee on public accounts

Annual Report, Provincial Auditor, 1992

Ministry of Housing

Chair: Joseph Cordiano
Clerk: Todd Decker

Comité permanent des comptes publics

Rapport annuel, Vérificateur provincial, 1992

ministère du Logement

Président : Joseph Cordiano
Greffier : Todd Decker

Published by the Legislative Assembly of Ontario
Director, Hansard Reporting Service: Don Cameron

Publié par l'Assemblée législative de l'Ontario
Directeur, Journal des débats : Don Cameron

Hansard on your computer

Hansard and other documents of the Legislative Assembly can be on your personal computer within hours after each sitting. Sent as part of the television signal on the Ontario parliamentary channel, they are received by a special decoder and converted into data that your PC can store. Using any DOS-based word processing program, you can retrieve the documents and search, print or save them. By using specific fonts and point sizes, you can replicate the formally printed version. For a brochure describing the service, call 416-325-3942.

Index inquiries

Reference to a cumulative index of previous issues may be obtained by calling the Hansard Reporting Service indexing staff at 416-325-7410 or 325-7411.

Subscriptions

Subscription information may be obtained from: Sessional Subscription Service, Publications Ontario, Management Board Secretariat, 50 Grosvenor Street, Toronto, Ontario, M7A 1N8. Phone 416-326-5310, 326-5311 or toll-free 1-800-668-9938.

Le Journal des débats sur votre ordinateur

Le Journal des débats et d'autres documents de l'Assemblée législative pourront paraître sur l'écran de votre ordinateur personnel en quelques heures seulement après la séance. Ces documents, télédiffusés par la Chaîne parlementaire de l'Ontario, sont captés par un décodeur particulier et convertis en données que votre ordinateur pourra stocker. En vous servant de n'importe quel logiciel de traitement de texte basé sur le système d'exploitation à disque (DOS), vous pourrez récupérer les documents et y faire une recherche de mots, les imprimer ou les sauvegarder. L'utilisation de fontes et points de caractères convenables vous permettra reproduire la version imprimée officielle. Pour obtenir une brochure décrivant le service, téléphoner au 416-325-3942.

Renseignements sur l'index

Il existe un index cumulatif des numéros précédents. Les renseignements qu'il contient sont à votre disposition par téléphone auprès des employés de l'index du Journal des débats au 416-325-7410 ou 325-7411.

Abonnements

Pour les abonnements, veuillez prendre contact avec le Service d'abonnement parlementaire, Publications Ontario, Secrétariat du Conseil de gestion, 50 rue Grosvenor, Toronto (Ontario) M7A 1N8. Par téléphone : 416-326-5310, 326-5311 ou, sans frais : 1-800-668-9938.

Hansard Reporting Service, 481 Legislative Building, Toronto, Ontario, M7A 1A2. Phone 416-325-7400. Fax 416-325-7430

STANDING COMMITTEE ON PUBLIC ACCOUNTS

Thursday 4 November 1993

The committee met at 1024 in room 151.

ANNUAL REPORT, PROVINCIAL AUDITOR, 1992

MINISTRY OF HOUSING

The Vice-Chair (Ms Dianne Poole): Good morning. I'd like to open this session of the public accounts committee. I apologize for the delay. We have been waiting for a Conservative member to join us but, since we've now been delayed by 25 minutes, I'm going to recognize a quorum and proceed.

I would suggest, since we are starting off with the non-profit housing report, that what we would do is divide the time evenly among the three caucuses and we will start, I guess, with the official opposition. We will divide the time 10 minutes for each caucus and at the end of the 30 minutes we will take a vote on any suggested amendments to the report and the report in its entirety. Does that meet with the approval of the committee? Okay. Let us proceed. I'll recognize Mr Cordiano of the official opposition.

Mr Joseph Cordiano (Lawrence): Madam Chair, I would like to get back to the two areas—I think essentially this is where we seem to have some difference of opinion, around filing a final report on this matter—one dealing with the question of a buffer and the other matter dealing with the question of the operating agreements, which I think in some ways we addressed last time we met, over a couple of weeks ago. We had some discussion around that.

However, there were some matters that were still outstanding with respect to the operating agreements. I'm not fully satisfied that we've covered those so that we could reasonably say that the ministry is moving forward with enough progress to cover all the concerns we've outlined over this matter. Therefore, I would have to say on operating agreements and the implementation of those, if our researcher could just once again help me out with respect to the operating agreements, where we left off last week, it was my understanding that not all of the operating agreements had been implemented but that quite a number of them had. Is that correct? I heard the figure that somewhere in the neighbourhood of 75% of the operating agreements were now in place. Maybe the auditor can answer this.

Mr Gary Peall: I think it's something less than that, because they said they were working with the cooperatives first and the cooperatives are less than 50% of the total. So it's something less than 50%.

Mr Cordiano: I see. So that's the clarification.

Mr Peall: The rest of the private non-profit and municipal non-profit agreements may take up to 14 months, which is the end of 1994, to complete.

Mr Cordiano: Okay. That clarifies it, because I think originally we understood there was something less than 50% of the total that had operating agreements in place. I think the last time we met, there was some confusion around the actual number. The ministry somehow suggested that more of those were in place now than we had first assumed. So in fact, there is not a satisfactory level of implementation with respect to operating agreements.

That is a major concern, and quite frankly, on the basis of that information, I don't believe there's enough progress that has been made in getting operating agreements in place.

I don't want to rehash all the details of that, because I think we've had quite a bit of discussion around why that's necessary with respect to tenant placement and the requirements to meet objectives that have been stated by the ministry, by those operators. I think that by operating without operating agreements, we have some real gaping holes in the administration of those operators. So I leave it at that. I think we've made the point repeatedly.

The other question has to do with the establishment and creation of a buffer. Once again, I've been trying to pinpoint what the ministry has said, but quite frankly it amounts to the same thing. On the one hand, they've indicated that they're sensitive to the fact that demand-need analysis has to take place in order to establish just what allocations will be made in various regions of the province. That speaks to the whole question of determining what real needs exist out there and that in fact the ministry is attempting to establish a new model for determining that. Correct me if I'm wrong, but we heard from the ministry on that basis.

I would turn to the auditor again to just elaborate a little bit on what it was that they've established and are now willing to work with in terms of need analysis and demand analysis, just to verify what I'm saying, that there is in place now, or at least that the ministry is moving towards the establishment or the creation of, a need analysis model.

1030

Mr Erik Peters: There was a presentation made, and I don't recollect the exact date, by the ministry that it has a new system in place for needs analysis in connection with Jobs Ontario Homes. What is unanswered, I believe, is the question as to how that new model impacts on the buffer that is being built.

Mr Cordiano: Right, and that's the next point I'm making, that it's not clear at all. In fact there seems to be a dichotomy between relating need and demand analysis to the whole question of creating a buffer and the determination of what allocations are made in what regions. So if you have a need analysis model and you meet the demand characteristics of that region, or the demand that's out there in a particular region—on the other hand, you ignore that because you're about to build in a buffer for that region. How does that speak to the efficiency by which you're going to build housing where it's needed?

I don't think there are enough resources or, quite frankly, enough dollars to build in a buffer when that

buffer is going to simply sit there for an untold number of years. I don't understand how the two things are compatible. Either you're building and allocating non-profit units on the basis of real need and you're matching those needs out there with those allocations, or you're simply going to not only match needs or not really estimate what the real need is. Or if you're doing that, then on the other hand you're building in additional units for some other eventual use or some need that's going to exist some time down the road.

As far as I'm concerned, that really is not an efficient use of our taxpayers' dollars, and I don't believe you can even be that precise in determining what that buffer is going to be, because, quite frankly, the ministry has not been able to even assess need and demand in regional communities as it exists right now. Over the past number of years, the ministry has been operating largely with what appears to be a quota system in terms of allocations. A minister makes an announcement, the Treasurer sanctions a number of units in his budget and on we go. We build *x* number of units and they're allocated wherever the allocations can be found throughout the province. That seems to be the modus operandi of the ministry and of the budgetary process involved with that. Quite frankly, I don't think there's any way you can reasonably say that that mirrors or matches the real need that exists out there, because no one really bothered to measure what that need or demand would be. So the question of the buffer really ties into the whole demand-need analysis process, and I don't see that there's a clear understanding of how those two things would work and that in fact the need analysis is going to match the real demand out there, the real need that exists, and that this is an efficient, workable model.

Anyway, I leave my remarks at those two areas of concern. I simply say this to the members opposite: I could not support or I would not be favourable to suggesting in the report that the ministry has met those concerns and that we therefore are comfortable with the way in which the ministry will proceed on those two items.

I think we have general consensus around all other items. There's been somewhat a satisfactory recognition on the part of the ministry that there is progress that needs to be made on a number of other issues in the report. We're happy and satisfied with those areas, but on these two items I cannot say that, and I think these two are fundamental matters of concern. I would therefore be unable to support a report that suggested that the ministry was making progress and that it was moving in the direction that we felt appropriate.

I would just direct the researcher to that and draw attention to the fact that I would not support that kind of approach. Rather, I would hope we could build in a consensus around the fact that those two items have not been satisfactorily answered with respect to our concerns.

The Vice-Chair: Thank you, Mr Cordiano. A Conservative representative has now arrived. Just to bring Mrs Marland up to date, we have decided, as a committee, that we would allow 10 minutes per caucus. Mrs Marland, would you like to take your 10 minutes now?

Mrs Margaret Marland (Mississauga South): I'd like to take it in a few minutes, after the government members, perhaps.

The Vice-Chair: We will then proceed to the government caucus. I believe Mr Duignan and Mr Wilson both have comments, and, if time permits, Mr O'Connor.

Mr Noel Duignan (Halton North): The government side or the government caucus will indeed be supporting the draft annual report and the recommendations contained in that report today. However, on a couple of issues raised by the Chair of the committee, for example around the whole question of operating agreements, I was involved in this industry before getting elected and I could be very aggressively partisan if I wanted to be in relation to how the previous government handled the whole question of housing, but I'll choose not to go that direction today.

However, I will be somewhat partisan in that when the Homes Now program came into operation in 1986-87, from that period right to the time we took office there were no operation agreements in place, whether with the ILM program or with the Homes Now program or indeed between the operators of co-ops and non-profits and the local housing authorities. What we've done is move on that, and we have put a number of operating agreements in place, and 75% to 80% now are in place. I think that's one hell of an improvement when you consider that none existed before we came to office.

What we've been basically doing is cleaning a mess that existed—

Mrs Marland: Did you say you "could be" partisan?

Mr Duignan: No, aggressively partisan. What we've done is clean up a mess that has existed before we took office.

Mr Gilles Bisson (Cochrane South): He's mild, Margaret.

Mr Cordiano: He's just getting started.

Mr Duignan: Also, on the question of the real needs, when you look at the fact that there are 60,000 names on a waiting list for people to get into co-ops and non-profit homes across this province and also look at the fact that 30% of the population of Ontario pays more than 25% of their income on housing, you know there is a real need out there for supported housing. What this ministry is doing as well is building a permanent stock of housing, which is an important aspect to bear in mind as well.

I do have a question for the auditor. I notice the Chair of the committee has made reference to the risks that the Minister of Housing faces by not having a number of operating agreements between the ministry and the non-profit groups signed yet. I notice you've also expressed some similar concerns in your report on this issue. Could you please clarify precisely which aspects of the ongoing administrative monitoring relationship between the Ministry of Housing and the non-profit sponsors are absent, or even deal with, in a less substantive way, when an operating agreement has not been signed?

The Vice-Chair: Mr Duignan, my understanding is that you have a question for the auditor?

Mr Duignan: Yes.

The Vice-Chair: Auditor, would you like to respond?

Mr Peters: Gary, would you respond to that?

Mr Peall: I'll try.

Mr Duignan: Within 10 minutes.

Mr Peall: I'll do it in much less than that.

One of the primary issues we raised is control over tenant placement and equity of access, things like that. One of the key provisions of any operating agreement would be what would be required of one of the projects in terms of how they access the waiting list and allowing equitable access to the units that are available and that the government has paid for. That is certainly one of the key provisions, that an operating agreement would hopefully protect the government and give it the right to enforce, through compliance, adherence to that kind of policy.

There was also some question about the ownership issue and making sure that the government did have some ultimate control over the conversion of that at the end. All the financial conditions in terms of when reports are due and complying with those requirements, the kinds of statistical and operating information that have to be provided about the kinds of tenants who are in the units, all of those kinds of details should be specified in order that there is some basis for enforcing compliance. That's our main concern.

1040

Mr Duignan: I'll pass; Gary may want to make a few comments. But again I want to emphasize the fact that upon taking office in 1990 there were no agreements in place. There was a whole mess in relation to the Ministry of Housing. This Ministry of Housing has moved to clean up an administrative mess and put in place a number of operating agreements. It's not 100% there yet. In fact, we're three quarters of the way or better there. I look forward to the day when we have reached that 100% level, and I have confidence in the minister that this will be achieved.

Mr Gary Wilson (Kingston and The Islands): As you mentioned before the meeting began, Ms Poole, I am newly arrived at the Housing ministry, so I haven't got complete grasp of all the issues that were raised. But I am very pleased to have this report that the committee has put together, because it will be a very good introduction to this area of the Housing ministry's responsibility. I'm pleased too to hear that there's a large measure of agreement on what the report says and to know that the ministry has under way to comply with several of the recommendations and has a framework worked out for those remaining. I just hope this report can be accepted today and that the ministry can move on the recommendations and its other responsibilities.

The Vice-Chair: Thank you, Mr Wilson. There are actually a couple of minutes left, Mr O'Connor, if you would like to make a comment or question.

Mr Larry O'Connor (Durham-York): Just to say that I'm in support of the draft report. We've gone through this many times over. To my colleague across the room, when he talked about the need and the ministry deciding what the need is, I think that's what is changing; that's a whole attitude that's changing now. The Ministry of Housing isn't trying to decide what's got to be allocated on the basis of what it perceives is need.

It's going through a process of planning together, going to the community and getting the community to see exactly what the needs are. I don't think the ministry could possibly give a snapshot of the need right across the entire province, because the needs change, change drastically, for a number of different reasons. As we get down to community-based decision-making about what the needs are and then bringing them towards the ministry, I think we're going to get better decisions. There's always going to be greater need than can ever possibly be met.

My colleague mentioned the number of people on the waiting list. It would probably exceed that if you were to mention all the people who haven't even considered them as options. If we move forward in areas such as accessory apartments, we may see some safer accommodations come about in future. All these things have to be considered when we take a look at housing needs.

I support the draft report as it is. I know there are concerns by committee members, but as we go through and get a more community-balanced perspective on the needs of the communities, I think we're actually making a huge step forward, and that's got to be recognized and supported as well.

The Vice-Chair: Mrs Marland, you have 10 minutes.

Mrs Marland: Thank you, Madam Chair. Could you tell me why Robert was in here taking photographs?

The Vice-Chair: Actually, that was announced a little earlier to the committee. The committee clerks are preparing a flyer to talk about committee work, and they asked if they could come in and take some pictures of the public accounts committee at work.

Mrs Marland: Thank you. The areas I've discussed before I still have difficulty with, with this report going from this committee, so unfortunately I'm not going to be in a position to be part of a unanimous decision by this committee to support this report.

It's really interesting when the government members, particularly Mr Duignan, mentioned 60,000 people on a waiting list in this province. I know there are 10,000 in the region of Peel alone on a waiting list for affordable housing. Mr Duignan said 60,000 on the waiting list for non-profit and co-op, was I think how he expressed it. If there's one thing that confirms, it's that the current system of the government building, owning and operating—not owning on paper but owning by investment—this so-called non-profit housing program isn't working.

If you're using the figure of 60,000, it must be 60,000 families, because we know there are close to a quarter of a million people in this province who can't afford their rent. If we have a system that is costing the taxpayers in this province, by the beginning of 1995, $1.2 billion and we're still not housing the people who need help with their housing, there must be a better system.

Mr O'Connor: Accessory apartments are—

Mrs Marland: I was going to come to the second

comment by the second member of the government who referred to accessory apartments. If accessory apartments are such a priority, it's interesting that you haven't called Bill 90 for second reading even. I can hardly wait for you to bring Bill 90 forward because I can hardly wait to tell you what the people in this province really think about basement apartments as a solution to housing people who can't afford housing in this province. Our vision for housing people in this province isn't a view from a basement window.

I won't take the time of the committee to discuss accessory apartments as that's not really what's before us at this moment, because there will be a time and a place to discuss that when Bill 90 gets back as a priority for your government. It's not on the list of business that your House leader has identified he needs to deal with before Christmas.

In any case, the concerns I addressed before with this report still stand. For that reason, I won't be able to support this report as it's drafted. There are parts of this report that are fairly mundane housekeeping matters, and certainly there are other parts of this report where the Ministry of Housing is listening to the public accounts committee's recommendations, and obviously those parts I'm quite happy to lend my support to.

But there are still outstanding parts of this report that I will have to address independently, as we seem unable to convince the government members of the concern that at least the Progressive Conservative caucus has.

I appreciate the fact that you deferred this report from last week when I was attending the funeral in Sault Ste Marie. I wanted to mention that. I was sorry that I gave you such little notice about that, that I couldn't be here.

The Vice-Chair: Both the auditor and our researcher Ray McLellan do have some brief comments they'd like to make. Prior to going to that, I have a suggestion in terms of how to deal with this report. I think both the opposition parties have made it fairly clear that there are two parts to the report they have outstanding concerns with. One is in the area of operating agreements, and the second is in the area of the buffer.

Our researcher Ray McLellan has offered to attempt to draft recommendations in these two areas for the committee, and in an attempt to get all-party consensus, we would then have the steering committee, the subcommittee, meet to consider these two draft recommendations. If there is unanimous consent by all members of that subcommittee, including one from each party, that these are acceptable, then they could be adopted into the report.

What I would recommend we do today is to take a vote on this report as it exists, with the proviso that if the subcommittee is able to come up with a satisfactory consensus concerning these other two recommendations, they be added to the report.

1050

Mr Cordiano: Point of order.

The Vice-Chair: Just one moment, Mr Cordiano, and then I will entertain your comments.

The reason I suggest this is because we are basically running out of time. The committee does not meet for two more weeks, because next week is constituency week. We're at the stage where we have to finalize the health care report and this report. If anybody has a better idea of how to deal with this, I'm certainly willing to entertain that. Mr Cordiano.

Mr Cordiano: I don't know if it's better, but I think it's very clear—this was sort of the purpose of this meeting, to flesh out where we disagree. I have no difficulty in disagreeing, and I think that one last effort which goes to the subcommittee is not really appropriate or fair to the other members on the committee.

I think there are fundamental differences with respect to those two areas. My direction to the researcher, if he would accommodate this, is to write that section which definitely shows fundamental disagreement so that there isn't an effort to find consensus around that, because there really isn't consensus around here.

I would not want to have another effort, which seems to me to be what would happen by going to the subcommittee, at finding a consensus, when in fact I believe there is not a consensus. To try and find a consensus around fundamental disagreements is not really appropriate, so I would not wish to have that undertaken by the researcher.

In terms of drafting something that would accommodate all of those concerns, there really isn't that kind of consensus. I don't think that would capture the real spirit of what we're saying here.

The Vice-Chair: Of all committees, the public accounts committee has traditionally been the most nonpartisan, as much as is possible and—

Mr Cordiano: This is not a partisan question. I beg to differ with you because this is not really a partisan question. This is a question around fundamental differences of principle. It has nothing to do with a partisan issue; it has everything to do with the fundamental principle not being understood. There's a lack of consensus around those principles. I don't have a problem with that.

The Vice-Chair: Perhaps we could entertain a comment from the government as to whether you think there is common ground, and also Mrs Marland. Mr O'Connor.

Mr O'Connor: This committee has certainly had a good round of debate on this. I agree with Mr Cordiano: We don't agree. I think one of the benefits of this committee is that we can agree to disagree. Part of the process we have is that there can be a minority report, and I think this is going to be one of those occasions when unfortunately that does happen.

I would be more accepting if we could come up with a majority report that everyone accepted, that we got consensus on, but if that's not the case, then let's not hold this up for ever. Let's deal with it, accept that there are some differences of opinion. There always are going to be, on some matters, some differences of opinion. I suggest we move on.

Mr Duignan: I was about to say the same thing, except that if we had consensus that we could include those two recommendations in the report—there's

obviously going to be a minority and a majority report, and we would have a look at the draft of those two recommendations, and what you don't agree with us on, you can put in your minority report.

The Vice-Chair: That was actually the suggestion: that Ray would draft the two recommendations, and if we couldn't have consensus on it, then the opposition parties would obviously be free to use whatever part of that they wanted to. But at least it was one last opportunity to see if there are areas in which we can agree.

For instance, the operating agreements: I think there is some consensus that there has been an outstanding problem and the minister is making efforts to deal with it—

Mr Cordiano: But it's not satisfactory.

The Vice-Chair: —but it's not satisfactory to certain members of the committee.

Mrs Marland: I think part of the problem is that our discussion has been going on over quite a long period of time, and over that period of time, even the minister has changed position. The thing is that we were told in the spring that the operating agreements would be completed essentially by the end of the summer. We are now in November and we're told they're not going to completed for another 14 months. That's absurd.

It's kind of ironic. If we had dealt with it all in three weeks and believed everything the minister or the deputy had said—in that case it was the deputy, Mr Burns, who told us that, and in another committee we were told something that was almost the same. Actually, it even sounded better in estimates because it was in sort of three weeks, I think.

In any case, the story changes, the picture changes and it's just where we are now on that subject of operating agreements that is totally unsatisfactory for me, representing the taxpayers. Obviously, when I hear the auditor, who is looking at it from the overall responsibility of where the dollar flows and the auditor says, "There is some risk," I think were the words the auditor—am I correct? The words were, "There is some risk where there are no operating agreements in existence." So that is a very important aspect of this report.

However, I do agree with the Chair that it is possible, because Mr McLellan can write far better than a lot of us can speak, to tell you the truth, that he may be able to draft two recommendations that address our concerns about operating agreements and address our concerns about the philosophy of a buffer when we can't even afford the existing program. He will have to be some kind of a Houdini to come up with it, but I'm quite willing to try that.

Mr Cordiano: I think that could only be attempted if there's agreement from the other side that there would be some consensus around the fact that a buffer is not appropriate in this circumstance. Let's not try to disguise that. There really is a complete disagreement around that. I think that needs to be fleshed out clearly.

I don't think there can be that kind of consensus around fundamental principles that we disagree with. My concern is that if you try to compromise that by suggesting that while we have concerns around the buffer, because it's the intent of the ministry to build one, and the government members can go along with that, that's fine—that would be what I would want to see in that recommendation, but I don't think that's what the members want and I don't want to go through a whole series of other meetings to flesh that out. I think it's pretty clear from what you've said already that you're not going to be in agreement with our concerns around the buffer.

The Vice-Chair: One of the interesting things about this report is that we actually do not have a recommendation regarding either the operating agreement or the buffers in this report. We didn't in our original report and yet they are the two outstanding areas of concern. Normally, when opposition parties file a minority report, it's because they disagree with the recommendation in the report. I get the impression that the two opposition parties agree with a lot of the things in this report, but they don't think it deals with those two issues substantively.

Mr Cordiano: I don't see that.

Mrs Marland: There is a statement in there—

Mr Cordiano: Need and demand studies and the fair share model: It alludes to that in our report. There are certainly other references made to it. It may not come under that particular heading. There's nothing in our report that specifically refers to a "buffer," but that stemmed or flowed from the auditor's first report and the response we got back from the ministry around the question of a buffer. They clearly used the word "buffer" which we then subsequently carried on with, because they were the ones who reported it to us by using the word "buffer." There is clearly that understanding or that recognition of the fact that the ministry is building a buffer, and that was their explanation for not meeting with certain aspects of the report which they felt were less than satisfactory in terms of the answer they gave to the auditor.

1100

The Vice-Chair: From several comments by government members, I think, if I'm not misinterpreting what you said, there is a consensus by the government members that you don't feel that we can come to agreement on those two areas and that we may just have to agree to disagree as a committee and appropriate minority reports be filed. Am I correct in interpreting that?

Mr Duignan: That appears to be the direction we're heading in at this point.

Mr Cordiano: Just to make one last thing clear, we're talking about dissenting opinions around two items. We're not talking about an entire minority report. I just want to make that clear. I think we can accomplish that by disagreeing on those two sections.

Mr O'Connor: If we might just go back to your original comments as we started to open up this dialogue, as this committee has been able to work throughout many differences and come to some consensus, in that element of non-partisanship that does show itself here more than anywhere else, maybe we could take a look at those recommendations and maybe there is some agreement there. I don't know. Maybe then the subcommittee should

meet and discuss that. Up to this point, I think there are some areas there is some disagreement in, but maybe we should see those recommendations as they will be drafted on the wishes of my opposition colleagues. Perhaps there is some area of agreement there and maybe the subcommittee should meet on it.

Mr Cordiano: There seems to be some movement on that side, so we can move forward with that.

The Vice-Chair: Okay. Just before we call the vote, the auditor has a comment, and also Ray McLellan.

Interjection: There's a member over here with a comment.

The Vice-Chair: Oh, sorry. Mr Duignan?

Mr Duignan: That's what I was alluding to earlier. Let's have a look at the recommendations and let's see if there is some common ground that we can agree on, and if we can't, then we know what direction each of us will be headed in.

Mr Peters: My comments really relate to recommendations 2 and 4. I just wanted to raise with the committee the problems that I technically have with being instructed to do a follow-up audit. The prerogative of this committee is to order up an audit by the Provincial Auditor under section 17 of the Audit Act.

There is some difficulty in my interpreting the instructions to conduct a follow-up audit, whether this is interpreted by this committee to mean a special audit under section 17 or whether the committee would permit me to suggest to delete your recommendation for a follow-up, under the understanding that we will incorporate the recommendations of the committee in the next audit that we are doing in rotation on the Ministry of Housing. That, we indicated, would be by 1994, and that is predicated by the timetable provided to us by the ministry as to when it would have certain things in place. We don't want to interfere with the processes they have outlined to this committee of taking corrective action.

Mr Cordiano: That's fair.

Mr Peters: I'm particularly concerned with recommendation 2, which still says that they should develop cost figures for 1989 to 1991. As I've recommended to the committee before, we should let them get on with it rather than making a lot of effort. They indicated in a separate report that they're looking at up to 90 people-weeks to reconstruct numbers for that period back. I think that would just not be a good use of time by the ministry. I would prefer to have them go forward.

The Vice-Chair: Briefly, Mrs Marland?

Mrs Marland: Yes, very briefly. Mr Peters, does that mean then that we'll never know what the cost of those units was between 1989 and 1991?

Mr Peters: What we won't know is to what extent they have adjusted the cost of their construction to the falling market prices in that particular period of time; that's true.

Mr Cordiano: But we would know the actual cost, because those are recorded costs anyway; in some form, they would exist. Make a distinction for me.

Mr Peters: That's true. The distinction is really the correlating at the ministry level, because they're done in regions, they're in individual files all over the place, and it's just that 90-person-week effort to pull them together.

The thought had crossed my mind, though, rather than leave that section open, to suggest to the researcher to put in possibly a recommendation that the committee urges the ministry to develop a costing mechanism that allows it to develop actual costs and monitor them at the head office on a more timely basis than what is currently being done.

Mr Duignan: Very briefly, because I know time is getting on, I concur with the Provincial Auditor and I move the adoption of the report.

Mrs Marland: I need to be clear. Certainly I can accept Mr Peters asking that there not be a special audit, that it be part of their normal rotation which is coming up in 1994 anyway. I know it's 19 person-weeks to find out the information we asked for, 1989 to 1991, but that's four years, isn't it? If you count the inclusive years, it's four years we're talking about. What I need to know is, will we ever know what non-profit housing costs the taxpayers in this province for that four-year period?

Mr Cordiano: Can I just say, Madam Chair, that—

Mrs Marland: Excuse me, I'm asking the question.

Mr Cordiano: I'm going to give my comments with respect to that analysis. If you are finished, I would like to get on the record with respect to that.

Mrs Marland: Well, you can, but I'm asking a question.

The Vice-Chair: If you can do it in several sentences, because we are already five minutes over time on this.

Mr Cordiano: That's really the point, that we're running out of time. I would simply like to say that, on that basis, we have a very fair and I think reasonable suggestion by the auditor. I think as well in our report, under recommendation 3, we suggest to the ministry that it develop a comparative model of the non-profit in assisting management to do future audits. That's very clear. In terms of cost analysis, we've recommended to the ministry that it develop a model for cost analysis which takes into consideration all we've been discussing here.

It is very clear what the auditor has said. It will cost a considerable amount of money to establish what those costs were in relation to falling construction prices. The fact is very clear to us. Construction prices were falling; the costs for those units were higher than the construction costs. To get more specific about that is rather useless at this point. I think the point has been made and was made by the auditor originally in his report, that the costs weren't being reduced as a result of construction costs and market costs falling, that the ministry didn't take that into account. I think that was the point the auditor made in his report. To go back and to have 90 person-weeks to collate the actuals with what was happening in the marketplace is a complete waste of time at this point and it's a waste of taxpayers' dollars.

Mrs Marland: Can I clarify what I was asking before Mr Cordiano interrupted?

The Vice-Chair: We do have totals for what it cost, because obviously that information was available through the treasury, as to what non-profit housing cost. What we don't have at this stage is actuals as to what every unit cost in the specific categories.

I'm going to suggest that the auditor and Ray collaborate on the wording of those particular recommendations. They will then bring that recommendation back to the subcommittee, along with the report in its entirety and, if Ray is able to do a Houdini trick, bring back two recommendations on the operating agreements and the buffer.

Today, what this committee will do is authorize the subcommittee to finalize the report and, depending on whether consensus can be reached in the committee, either this report will be tabled in the House or an amended report as agreed with the unanimity of the subcommittee.

Mrs Marland: Madam Chair, the auditor was addressing two recommendations and he only got as far as addressing the second one when we started asking him some questions.

The Vice-Chair: I think he said recommendations 2 and 4.

Mrs Marland: And I would just like to finish with 2.

The Vice-Chair: I think 4 also relates to the follow-up audit. It refers to number 2. Do you have additional comments, Auditor, on that?

1110

Mr Peters: No. I think the process on which we agreed with Ray would be satisfactory to us. On the question of the cost, if I may just make one additional comment, the ministry agreed on the direction. We both disagreed as to the extent. Our model showed $200 million; theirs showed $20 million. We both know the direction was right. They did not adjust the price. The point was made as to whether we should expend additional effort to prove who was right. We are not really willing to go back to the model, because once we have actual numbers, then we know what the actual result is. They have conceded $20 million. We think it could be as high as $200 million.

Mrs Marland: When will you have those actuals?

Mr Peters: We won't have them.

Mrs Marland: You'll never have them?

Mr Peters: No. I believe the ministry voluntarily is working on them, but we are not sure when and how that is going to happen. They said they had several scenarios.

Mrs Marland: That's my concern. We'll never know what that program cost in real dollars for four years, is that correct?

Mr Peters: Not the entire program. I believe we were looking at a model built on the Metro Toronto area. It was just the Metro Toronto portion of the ministry.

Mrs Marland: So we won't know what the program cost in Metro Toronto for four years.

Mr Peters: That's right.

Mrs Marland: I just want to be very clear so we understand what information we're not going to have, that's all.

The Vice-Chair: Auditor, am I correct, though, that we will know how much money the Ministry of Housing allocated for non-profit housing?

Mr Peters: Yes, for the construction, but the construction is really off the ministry's books. Gary?

Mr Peall: You will know the operating costs of those units. You just will not know the actual cost of constructing each unit and those average costs, but you will know the ongoing operating costs of those units through the public accounts.

Mrs Marland: That's right, but we won't know what it cost to build them. That's a tremendous gap.

Mr O'Connor: The numbers are known; it's just that they're not all collected in one spot.

Mr Peters: That's right.

Mr O'Connor: It would cost a lot of money to gather it all in one spot. We're talking taxpayers' dollars. The money's been audited through the process. It's being watched. What the auditor is suggesting here is that it's going to take a tremendous effort on his part, a tremendous amount of staff time from the Ministry of Housing, to pull all that information together for something that may not necessarily be useful and productive.

I don't think I've heard him say that he's got grave concerns that the ministry is being frivolous with the money; it's just that for him to gather all that information as the ministry goes through its process would be difficult. All this information is audited through the ministry as it goes through the process, though.

Mrs Marland: I'll make one final statement and that's it on this issue.

The Vice-Chair: Very, very briefly, Mrs Marland. We're already 15 minutes overtime because we started so late.

Mrs Marland: Whether it's briefly or not, we have a responsibility to be able to tell the taxpayers in this province where their money is being spent and how. We have four years of a non-profit housing program that, because the details are in regional offices and the ministry under two governments chose not to know what the total picture is, we can't answer that question. I think it's absolutely deplorable that that's where we are, with a gun held to our head that if we insist on asking for that, it's going to cost 19 person-weeks.

Mr Cordiano: On a point of order, Madam Chair: We have, I think, given Mrs Marland great latitude in discussing these matters. I think in the efforts to make things equitable and fair for all members on this committee, we've allowed for that latitude. But if we're going to get into some slinging of partisan barbs and make this the central issue around which this report is stalled, because we want to continue to dwell on that issue, let's put it out in the open. Let's entertain Mrs Marland's suggestion that we have a 90-person-week detailing of those cost analyses. I want the recommendation to show that it's the Conservative Party of Ontario which is requesting that. Then I want a detailed costing of that undertaking to be done by the auditor, and I want that detailed costing to come back before this committee to be analysed by the committee.

Would Mrs Marland then be satisfied that her concerns would be answered fully by this committee? I have no qualms about doing that, but I want to be clear about what we're suggesting here. I want an analysis and a full costing of that analysis to be done before this committee. Then, Mrs Marland, you can have all your questions answered fully by the auditor, by the ministry and by this committee.

Mrs Marland: Are you speaking as Chair or as a member of the committee?

Mr Cordiano: I give up. I thought I was sitting as a member and as the critic for Housing for my party. I thought that latitude would be granted me at least in recognition of the fact.

Mrs Marland: No, but you're trying to say that the committee has granted me something special.

Mr Cordiano: No, I'm saying that I'm granting you that opportunity to make these comments.

Mrs Marland: Well, that's very gracious of you.

Mr Cordiano: But if you're going to continue to make those comments in a partisan sense, then let's make it partisan; let's allow you to do what it is that you want to do.

The Vice-Chair: Mr Cordiano, let's try to resolve this right now. Mrs Marland has the right to a dissenting opinion should she choose to file it, and she is welcome to put in her recommendation of what the auditor does, and we are at any stage welcome to ask the auditor for a costing of that.

We started 25 minutes late because not all parties were represented. We are now over 15 minutes late with starting the health care report. I would like to resolve this, and I am now going to ask the committee if you approve that the subcommittee will deal with this report and recommend that a report go back to the House either with or without dissenting opinions, as the case may be.

Mr Cordiano: We're not clear about this matter that I've just put before the committee. This is a matter that I'm putting before the committee. Mrs Marland wants this costing to be done. Is that something that's been resolved? That's still up in the air.

The Vice-Chair: Mr Cordiano, I was not clear that yours was in the form of a motion. I know you said you were willing to bring this forward.

Mr Cordiano: It's not a motion; it's just something I put forward, and obviously we're going to—

Mr Duignan: Maybe we'll deal with the report first and get back to Mr Cordiano's—

The Vice-Chair: Let's deal with the report first. Does the committee approve that the subcommittee will be authorized to deal with this report and prepare it for tabling in the House? Agreed.

Mr Cordiano, would you like to formalize your suggestion that the auditor do a costing of Mrs Marland's recommendation and bring that back to the committee?

Mr Cordiano: Am I to understand that Mrs Marland wants a recommendation in the report that directs the auditor to conduct this analysis, and that's a dissenting opinion?

Mrs Marland: Madam Chair, I do not need Mr Cordiano to speak on my behalf. I will be writing a dissenting report and he will see in that dissenting report what it is that I would like to do on behalf of the taxpayers of Ontario. Thank you very much.

Mr Cordiano: That's fine. I was simply trying to get a better understanding of what it was that you were putting forward, Mrs Marland. In my efforts to understand—

Mrs Marland: We can talk about it if you like.

Mr Cordiano: No, no, I just thought—

The Vice-Chair: The Chair is going to resume the floor at this stage.

We have one last item of business before Mr Cordiano takes the chair over for the health care report. I would like, on behalf of the committee, to commend Ray McLellan, our researcher, for his usual exceptional work and for somehow getting a consensus on an enormous number of issues and preparing a tremendously complicated report for use of the committee. Thank you on behalf of the committee.

Let the record show that great applause ensued. Mr McLellan did have an item of information for us.

Mr Ray McLellan: Just a couple of housekeeping things.

First, I had referred in the draft report number 2 before us today to the appendices submitted by the ministry. In other words, the ministry responded to this report in July and October. They submitted appendix material. Now, the question is whether or not we should append the ministry's appendix material, which is part of their response, to our report, because the responses from the ministry do refer to their appendices 1 through 9. Maybe I could ask the Chair whether or not the appendices should be appended to our report. They are referred to in the responses.

The Chair (Mr Joseph Cordiano): They're referred to, so I think it would be appropriate, unless the members of the subcommittee would like to analyse that further.

Mr Duignan: I think it's appropriate that they're included in the report.

The Chair: Fine.

Mr McLellan: It will get lengthy. One other question. I'll just do a bit of housekeeping with this report if the committee will allow me that latitude. I did notice on page 44, as pointed out by the auditor's staff, that one of the responses, for whatever reason, had been deleted in the computer run, the last copy. So I will correct that on page 44, and that will be addressed.

The last item: The committee, when we met a couple of weeks ago, raised a couple of points with respect to the role of development consultants and, secondly, with respect to turnkey and modified turnkey. I went back to the ministry to get a response on these issues, and I'll read them into the record. The ministry suggested I should do that.

The first item is clarification of competition for development consultants and resource groups. The ministry responded as follows:

Development consultants and resource groups begin working with the non-profit housing sponsors well in advance of application to the ministry for unit allocation. Compensation for service is not received until after unit allocation is granted. Approximately one out of five applications receives an allocation. The competitive process for groups will involve the following: identifying the consultants available, reviewing services provided, fees and past performance, and meeting with consultants and selecting the successful consultant.

To wrap up on the development consultant issue, the ministry did say to me that there isn't an unlimited amount of funds for each consultant, and there is a cap. For example, there are additional expenditures on lengthy planning approvals, so there is ultimately a cap. The ministry was not able to give me that cap. That's the issue of development consultants.

Second, what is the ministry's position on turnkeys and modified turnkeys? The ministry responded as follows: The ministry will not prevent turnkey and modified turnkey proposals under Jobs Ontario Homes.

The ministry has revised its business practices in the following manner: First, negotiations are much tougher on prices, according to the ministry. The ministry is insisting on separate land costing for all projects, including turnkeys and modified turnkeys. Developers on turnkey and modified turnkey proposals will be required to pay for rezoning and servicing costs. Last, the evaluation begins with the quality of the group. The site is considered after the group has been given approval.

That is the response is to those two questions raised by committee.

The Chair: Thank you. We're going to adjourn at this point and we're going to move in camera to deal with the second agenda item, which is the report on the health card question.

The committee continued in closed session at 1123.

CONTENTS

Thursday 4 November 1993

Annual report, Provincial Auditor, 1992: Ministry of Housing P-365

STANDING COMMITTEE ON PUBLIC ACCOUNTS

*__Chair / Président:__ Cordiano, Joseph (Lawrence L)
*__Vice-Chair / Vice-Présidente:__ Poole, Dianne (Eglinton L)
*Bisson, Gilles (Cochrane South/-Sud ND)
*Callahan, Robert V. (Brampton South/-Sud L)
*Duignan, Noel (Halton North/-Nord ND)
*Frankford, Robert (Scarborough East/-Est ND)
*Marland, Margaret (Mississauga South/-Sud PC)
Murphy, Tim (St George-St David L)
*O'Connor, Larry (Durham-York ND)
Owens, Stephen (Scarborough Centre ND)
Perruzza, Anthony (Downsview ND)
Tilson, David (Dufferin-Peel PC)

**In attendance / présents*

Substitutions present/ Membres remplaçants présents:
Mathyssen, Irene (Middlesex ND) for Mr Perruzza
Wilson, Gary (Kingston and The Islands/Kingston et Les Îles ND) for Mr Perruzza

Also taking part / Autres participants et participantes:
Office of the Provincial Auditor:
Peters, Erik, Provincial Auditor
Peall, Gary, director, ministry and agency audit branches

Clerk / Greffier: Decker, Todd

Staff / Personnel: McLellan, Ray, research officer, Legislative Research Service

CA2ON
XC21
-P72

Government
Publications



P-20

ISSN 1180-4327

Legislative Assembly
of Ontario

Third Session, 35th Parliament

Assemblée législative
de l'Ontario

Troisième session, 35e législature

Official Report of Debates (Hansard)

Thursday 9 December 1993

Journal des débats (Hansard)

Jeudi 9 décembre 1993

Standing committee on public accounts

Organization

Chair: Joseph Cordiano
Clerk: Todd Decker

Comité permanent des comptes publics

Organisation

Président : Joseph Cordiano
Greffier : Todd Decker

LIBRARY
JAN 10 1994
University of Toronto

Published by the Legislative Assembly of Ontario
Director, Hansard Reporting Service: Don Cameron

Publié par l'Assemblée législative de l'Ontario
Directeur, Journal des débats : Don Cameron

Hansard on your computer

Hansard and other documents of the Legislative Assembly can be on your personal computer within hours after each sitting. Sent as part of the television signal on the Ontario parliamentary channel, they are received by a special decoder and converted into data that your PC can store. Using any DOS-based word processing program, you can retrieve the documents and search, print or save them. By using specific fonts and point sizes, you can replicate the formally printed version. For a brochure describing the service, call 416-325-3942.

Index inquiries

Reference to a cumulative index of previous issues may be obtained by calling the Hansard Reporting Service indexing staff at 416-325-7410 or 325-7411.

Subscriptions

Subscription information may be obtained from: Sessional Subscription Service, Publications Ontario, Management Board Secretariat, 50 Grosvenor Street, Toronto, Ontario, M7A 1N8. Phone 416-326-5310, 326-5311 or toll-free 1-800-668-9938.

Le Journal des débats sur votre ordinateur

Le Journal des débats et d'autres documents de l'Assemblée législative pourront paraître sur l'écran de votre ordinateur personnel en quelques heures seulement après la séance. Ces documents, télédiffusés par la Chaîne parlementaire de l'Ontario, sont captés par un décodeur particulier et convertis en données que votre ordinateur pourra stocker. En vous servant de n'importe quel logiciel de traitement de texte basé sur le système d'exploitation à disque (DOS), vous pourrez récupérer les documents et y faire une recherche de mots, les imprimer ou les sauvegarder. L'utilisation de fontes et points de caractères convenables vous permettra reproduire la version imprimée officielle. Pour obtenir une brochure décrivant le service, téléphoner au 416-325-3942.

Renseignements sur l'index

Il existe un index cumulatif des numéros précédents. Les renseignements qu'il contient sont à votre disposition par téléphone auprès des employés de l'index du Journal des débats au 416-325-7410 ou 325-7411.

Abonnements

Pour les abonnements, veuillez prendre contact avec le Service d'abonnement parlementaire, Publications Ontario, Secrétariat du Conseil de gestion, 50 rue Grosvenor, Toronto (Ontario) M7A 1N8. Par téléphone : 416-326-5310, 326-5311 ou, sans frais : 1-800-668-9938.

Hansard Reporting Service, 481 Legislative Building, Toronto, Ontario, M7A 1A2. Phone 416-325-7400. Fax 416-325-7430

STANDING COMMITTEE ON PUBLIC ACCOUNTS

Thursday 9 December 1993

The committee met at 1019 in room 151.

COMMITTEE BUSINESS

The Chair (Mr Joseph Cordiano): Members of the standing committee on public accounts, I believe we have a quorum this morning of six members, including myself, so we'll attempt to begin our session.

This morning's meeting was scheduled so that we could organize the upcoming calendar year around the auditor's annual report. I think this morning we would want to examine a number of areas in that report to determine what the time lines might be around each of those issues. Before we move on to that, let me turn our attention to a memo from Ray and deal with subject areas or a number of projects and their status with regard to this point in time at the end of 1993, where we are with all of those projects. Ray, would you like to deal with that at this point?

Mr Ray McLellan: By way of housekeeping, there are a couple of items that I think might be valuable or worthwhile for the members to have a look at before we go into consideration of the committee's agenda in the coming months.

In 1993 we completed two reports: one on non-profit housing and a second one on the health registration system.

To move on, we issued four interim statements, and during the year the auditor has been involved in special audits, some of which have addressed those interim statements.

At the bottom of page 1 of the memo, the first item was a special audit on the Workers' Compensation Board. That special audit was completed and the committee addressed this matter in June 1993.

The second item is the special audit on the office of the registrar general. I'll just read one sentence from our interim report, which is attached to this memorandum. It says as follows:

"Also, the committee has instructed the Provincial Auditor to refer the report on the new imaging system" in the office of the registrar general "to the committee in the event that this matter is not included in the 1993 annual report, Office of the Provincial Auditor."

Just as a note, on page 57 of the 1993 annual report of the Provincial Auditor this item is addressed, so that ties in our concern of May. The committee may want to consider that particular audit.

Moving on to page 2, the audit report on elevating devices: The committee will consider the report on the inspection, design, engineering, data cross-reference system for elevating devices on its completion by the Provincial Auditor.

The fourth interim report is a special audit on the Ombudsman. My understanding is that audit has been completed and has been forwarded to the Office of the Ombudsman and in turn will be tabled with the Board of Internal Economy.

To move on, we have a list of completed special audits, some of which I've just referred to, on the top of page 2, and also three outstanding special audits requested by this committee which the committee will wait for from the Provincial Auditor.

With respect to the Task Force on University Accountability, which follows up from our earlier investigations of the universities of Toronto, Guelph and Trent, going back a number of years, the committee met with the task force and the Hansard from the meeting with the task force became our response to that final report from the task force dated May 1993.

In speaking with the ministry people yesterday, they're currently in the process of reviewing the responses, and ours is included in that package, as well as the responses from universities and other interested parties across the province. We may or may not hear back from the task force, but that appears to complete that circle from the earlier inspection audits going back to the late 1980s.

Some of the issues considered by the committee have not necessarily been reported on, which is customary for the committee, to consider items and make its decision. Two of those are from 1993: one is the Toronto General division of the Toronto Hospital—we did consider the special follow-up audit but we did not issue a report on this item—and secondly, the family benefits assistance. We decided not to issue a report on that.

One outstanding item that I may address in conjunction with Anne Anderson is the biennial committee report which, if the committee is in agreement, should be finalized and tabled perhaps in February of next year. That's one outstanding item that I will have to address.

The last point at the top of page 3: Last year the committee, on the Chairman's suggestion, decided to send out letters to the various auditees reported on in the Provincial Auditor's annual report and to consider those. That may be a practice that the committee could consider again this year, but I'll just remind you about that and leave it at that, with those few footnotes.

Mr Erik Peters: May I add a footnote to that?

The Chair: Yes, sure.

Mr Peters: Very quickly, just for my clarification and maybe for the committee members' help, in the instances where there is no report, it is my understanding that the committee had decided to let Hansard speak for itself, so Hansard becomes the report. Am I technically correct that it's not a specific report but Hansard is the report?

The Chair: I believe that is correct.

Mr McLellan: That's the case in the public accounts committees across the country.

Mr Peters: Okay, fair enough. I just wanted to clarify it because that was new to me. The other brief references

to the two motions that you were kind enough to pass in that particular time: The first is one dealing with the accountability framework asking me to pursue a workable, legislated accountability framework which we're working on and I'm the one to bring forward in this connection. The other one is the motion that was also unanimously passed: to continue the work on reforming the accounting system of the province, which was also passed by this committee. I just wanted to put them on the record, if I may, because I would like to speak to those later on when you do your planning.

The Chair: Now there is the question, obviously, of what to do with these outstanding matters. I think by and large we've dealt with most of these in a pretty thorough manner. Unless there is any consideration for a continuation of any of these, I think we will move on to the annual report that's been tabled by the auditor this year and delve into those subject areas, because obviously there's quite a lengthy list of issues here.

Perhaps we could move on to that matter. Before I do move on to that item, just let me say that I believe this marks the last day for Ray McLellan, our researcher, officially with us on the public accounts committee. He has been on the public accounts committee for the last five years, I believe, and he's now going to be reassigned to another committee.

Let me just say how he has certainly helped me in my capacity as Chair of the public accounts committee and certainly played a large role in the efforts of the public accounts committee over the last five years, and I think has been instrumental in assisting the committee in a variety of ways. I'd like to at this point thank him for his diligent work. Keep up the good work in another committee. Thank you, Ray.

Also, at this time I would like to welcome Anne Anderson, who is our new research officer. She is with us today and I think officially taking over at this point in time. Welcome to the committee. I know that you will work every bit as diligently as Ray has. I'm sure all members will find that Anne is just as available as Ray was to assist you in any matters. I'd like to welcome you, once again, to the committee.

Ms Dianne Poole (Eglinton): I just want to add my word of thanks for Ray's work over the years. I've had the privilege of serving with Ray on this committee both in government and in opposition, I found his work to be incredibly thorough, always properly done, very thoughtful, and in many instances I think he greatly assisted members by doing some thinking for us when we were really in a quandary and could not reach that final point of consensus. I think it's a real tribute to Ray how many unanimous reports have come out of the public accounts committee in the last five years and I'd really like to thank him. We are going to miss him but we know that Anne will very ably try to fill those very big shoes that Ray is leaving here.

1030

Mr Larry O'Connor (Durham-York): Just to continue on with our discussion we are having this morning, Ray certainly has been an asset to this committee. Anne, I think you're going to enjoy this committee. We do get a touch partisan at times but I think you'll find this committee is as non-partisan as you can get.

Ray has been very good at distilling some of the facts as we see them and present them in a manner that has been acceptable to the committee in as non-partisan a way as this House can ever get.This committee certainly is one that allows for some opportunities for us to set aside partisanship. I think you will enjoy it, Anne, and I'm sure that Ray has enjoyed it and indeed all the committee members will miss Ray's weekly presence with us.

The Chair: Getting on with the business at hand this morning, we will just open it to discussion around what might be of interest to members and the pursuit of these issues that have been outlined by the auditor. Ms Poole, would you like to start?

Ms Poole: Although I've not had the opportunity to caucus this with some of my other Liberal colleagues on the committee, there are certainly four areas in which I'm particularly interested.

One of them is children's services in the child and family intervention program. Children's services are something that, to my way of thinking, we as legislators have not turned our attention to as sufficiently as we should have.

The second is the area of education and I would just comment that while some of these areas would be intriguing to deal with, curriculum development and teaching qualifications and things like that, we do have a commission right now that is looking at many of those issues.

I think one area of education that we have not, again, focused on to the extent that I would like is special education, and the auditor has made some fairly specific comments regarding that. Special education is an area of interest.

The third, institutional services: Again, perhaps this is what they might call one of the sexier issues, looking at jails and corrections and what is going right and what is going wrong. There were some fairly startling pieces of evidence tabled in this section of the auditor's report, dealing with our jails and correctional facilities, particularly relating to staff-to-inmate ratio and the cost of the correctional system as opposed to the number of additional inmates going in.

I think that one would actually bear far more investigation, but those three are ones that I've particularly targeted as areas of interest. The one that I am very strongly disposed to dealing with deals with chapters 1 and 2 of the auditor's report, "Towards a Workable Legislated Accountability Framework" and "The Auditing and Reporting Process."

When I was on the committee in 1988, the auditor first came to us as a committee and said he would like changes to the Audit Act to empower him to do far more value-for-money reporting. That's now almost six years ago and I would really like, in this particular Parliament, to give the auditor the tools with the legislated accountability framework, the amendments to the Audit Act. I welcome the auditor's comments whether the timing would be appropriate to make this a first priority

of our committee to try to resolve this particular issue.

Mr Peters: Yes, the accountability framework is very important because the Audit Act has to fit into it. So it is, as the committee has decided in its motion, a two-step affair: first develop the legislated accountability framework and then take a look as to the amendments of the Audit Act that should result from it, if any. It may be such a good framework that we can live with the existing act.

Yes, I would very much appreciate it if the legislated accountability framework could be discussed in the springtime, by that time, to set as a minimum a target date by which the Management Board of Cabinet has to cope with the issue and make proposals as to how it'll deal with this.

Ms Poole: My understanding is that I don't believe our committee has put in a request for time during the intersession yet because obviously we wanted to see what we wanted to discuss. But if, for instance, we had time towards the end of February or into March, would that be a suitable time to start looking at this or do you think that would be premature, that you need a little more time before we start discussing it?

Mr Peters: I would appreciate that kind of time frame in terms of developing a progress report, at least for the committee to know where it stands and take further action, to find out where the central agencies stand on that issue.

If I may add one other issue in that same time frame that I would appreciate the committee taking a look at, that is the progress that is being made towards changing towards the new accounting rules which we presented. That may be worthwhile doing also before the end of March from the perspective that it is the fiscal year-end. The committee may just want to find out where the central agencies stand on that particular issue before the year-end is closed.

Ms Poole: Good.

Mr Robert Frankford (Scarborough East): I have not read the whole report but I've read a couple of parts that I found quite interesting. One was on special education. That interests me about accountability and standardization among school boards and the way that special education needs are served. That's certainly something that I find comes up from time to time in the constituency.

Then, perhaps inevitably, I read the chapter on the Ontario health insurance plan which, if one is talking about where the bucks are spent, I think must overshadow everything else. It seems to me that this perhaps flows on rather nicely from deliberations on health cards, perhaps looking more at the accountability around claims and at the provider levels. I would appreciate any chance to continue with that.

The Chair: Any other discussion or other points of view?

Mr O'Connor: I haven't had much time to deal with this report in any length. We've only had it for two days and we've been sitting till midnight, but I appreciate the auditor's report just the same.

The Ministry of Natural Resources segment and some discussion around the conservation authorities intrigued me. I wouldn't mind looking into it a little bit further.

As I was glancing through the book—I never had an awful lot of time to go through the report in detail—to refer to what Ms Poole has suggested around making a priority of the changes to the Audit Act, I think this committee has sent letters to the Minister of Finance on that issue and would like to see some changes there.

I guess the difficulty there is always the time limitations that we face with just the House agenda, not that we should wait for that to happen; this committee should still let the appropriate House leaders know that we are committed to some changes in there to update that element of the act that would make the job of the Provincial Auditor easier and more thorough. I think that's what this committee would still like to see as a priority as well.

The Chair: At this point, can I try to summarize what I've heard and reach some sort of a consensus, unless there are further points of view that wish to be expressed?

Mr Stephen Owens (Scarborough Centre): I'm sorry I missed the initial part of the discussion, but are we looking at issues that we would like to explore?

The Chair: Yes.

Mr Owens: Maybe Dianne has already mentioned the issues with respect to the legal aid plan and the young offenders section that I have a particular interest in.

The Chair: Let me just say that if there were the time to examine all of these matters, we probably would attempt to do that.

Mr Owens: You asked me for input.

1040

The Chair: I think what we should deal with first is the intersession and just what time might be available to us to deal with probably the two issues in this on which I understand there would be a consensus, the issues around education and training, correctional services, and social services—the child and family intervention program. Those three I think—correct me if I'm wrong—might form a consensus. The first approach that we might take would be with those three issues. If we could meet in the intersession for three weeks around those three issues, and have one week for each of those issues, we might be able at least to examine those for a first glimpse at them and glean something from those examinations.

Mrs Margaret Marland (Mississauga South): Good morning.

The Chair: But of course we just have before us—

Interruption.

Mrs Marland: Touché. One for you.

The Chair: Now that Mrs Marland has—how about that for an entry? Mrs Marland, I don't know if I should continue in that vein.

Mrs Marland: In the spirit of goodwill of all men and women.

The Chair: Better strike while the iron is hot. In that spirit we've reached a consensus, but of course you weren't here, so that could change.

Mrs Marland: No, it's fine with me.

The Chair: Okay, that's it.

Mr Gilles Bisson (Cochrane South): So it's understood we'll be looking at the PC caucus budget in some detail, along with the leader's office. Very good.

Mrs Marland: As long as you give me the money for my—

The Chair: If I could just—Ms Poole.

Ms Poole: I certainly don't have any problem dealing with those three issues. I just wonder, before we go into those three issues, whether in the intersession or the other things, if we could start with the legislative accountability framework and the auditing process, if that should be our first priority, and then we see which of those other topics we could go to subsequently.

The Chair: It was my understanding that the auditor had indicated that the spring might be an appropriate time for us to have our first look at what progress is being made and that you would have an interim report or a progress report by that time. That would be some time after March for the accountability framework.

Ms Poole: I might have misconstrued, but when I asked the question, if we dealt with this matter of the accountability framework in the latter part of February or the beginning of March, if would that be an appropriate time frame, I thought the auditor said to me that it would be good to deal with it before the end of March because that's the end of the fiscal year, but I may have misunderstood.

The Chair: No, you're probably correct.

Mr Peters: I did refer to the accounting issue as before the end of March, to get that in, to find some time for that.

Ms Poole: So if the accounting issue, if we would at least devote some time in the intersession—

The Chair: To the accounting.

Ms Poole: —to the accounting issue, and then what about the accountability framework, auditor? When do you see that?

Mr Peters: A little bit after that, immediately after that.

Ms Poole: So maybe when we're back in session, then we could deal with the accountability framework?

Mr Peters: Right.

Mr Bisson: I was just quickly glancing through the auditor's report. As well as most other members, I didn't have an opportunity to read it in some detail, but I do note that you had taken a look at some of the services around air ambulances and would like, if possible, to take a look at that in a little bit better detail a little bit later.

In regard to utilization, you may be aware that there was a Dash-7 that was added to the service in order to transport patients in northern Ontario into Sudbury, and the utilization of that hasn't been up at 100%, although it could be. It seems that it's an internal problem within the organization about, first of all, a lot of agencies—for example, there was permission given by the Ministry of Health to transport cancer patients from northern Ontario into places like Sudbury for their treatments, or Toronto, if need be. It seems that even though the issue was given out, there are a lot of agencies that don't know about it, and if we're paying to utilize such a service we should be utilizing that thing to its maximum. So that's something I would like to maybe get into a little bit later.

The other thing around air ambulances is that in discussions I've had with people who work within the air ambulance services up in Timmins, sometimes what ends up happening, because they don't end up booking the aircraft to the extent that it should be, is it's not utilized and we're having to pay for it. Then we end up having to go out and hire a charter, which is maybe a little bit more expensive.

I don't know if you've looked into that in any detail, but I'd certainly want to come back to that.

Mr Peters: If I may respond to that, we actually did not, because what we looked at was really the process of leasing aircraft and whether all the specifications were correctly dealt with etc. However, in my own opinion, that should not stop the committee from having the particular people before you and raise questions along the lines of the ones that you have in mind.

Mr Bisson: I think it's something I would definitely be interested in seeing come back and I'm sure most members would be interested.

Mrs Marland: I would like to support what Mr Bisson is saying because I think those of us who have the convenience of five- to 15-minute ambulance service in the greater Toronto area have no understanding of how grave the situation can be in northern Ontario, and in other parts of this province, eastern and western Ontario, as well. I think it would be very worthwhile for this committee to look at that particular aspect and the expenditure. A Dash-7 is a very expensive aircraft and it's wonderful to have that available, but if it isn't being utilized to its maximum, it is very important and I certainly support that request.

I would also like to say that if we are discussing where to go as a result of the report tabled by the auditor this week—is that what we're doing?—this really is further to my private member's resolution of last Thursday which was approved in the House in a vote of 51 to 4. My resolution was dealing with special-needs people in the province, in particular the developmentally disabled adults over the age of 21.

I also referred to the special challenges met every day by families with developmentally disabled children under the age of 21. I think since the auditor's report has a whole section devoted to special education and some concerns that are addressed in that report about the special-education areas in terms of services to the people in the province, I would like to see us discuss that area. I feel very strongly that in times of recession and shortage of money, we have to prioritize with the people with special needs first. I think it's something that goes far beyond partisan boundaries and I would look forward to us reviewing that particular section.

Mr Noel Duignan (Halton North): I would like to ask the auditor a question. I was wondering, is it within

your powers to review the TTC, for example?

Mr Peters: I do not have the answer ready for that, only from the inspection point of view. Under section 13 we can do an inspection audit to the extent that it is the use of grants provided by the province, but we are limited in our powers.

Mr Duignan: You would be limited to the area in which the government supplied the money to the TTC and how it uses that money?

Mr Peters: That's right.

Mr Duignan: For example, could you look under a special audit on some of the management issues and how they manage that money?

Mr Peters: That specific money to the extent that the act currently restricts us to looking at the accounting records, and from that we can explore, to a certain extent, the management, but not a full-blown, value-for-money audit.

Mr Duignan: You can't do a full value.

Mr Peters: We could not do a full value-for-money audit.

Mr Duignan: But you could look at some of the management issues around the moneys.

Mr Peters: That's right. Yes.

1050

Mr Duignan: That's an issue I would like this committee to come back to look at as well, how effectively and how well the TTC manages the money supplied by the province.

I was just wondering, there are a number of issues coming up from all three sides here this morning to review over the intersession. We may get three weeks, we may get two, we may get none. I was wondering, rather than going around in a circle all the time, if this may be something that the subcommittee could look at, all the issues, and each side bring back what it wants to have a look at and maybe we could reach a consensus on the issues to be looked at over the intersession.

The Chair: I think the subcommittee would try to do that, except that I would be a little concerned about allowing the subcommittee to do that with the time that remains in the session. I thought we should leave it to the entire committee this morning, at least to get a sense of what might be a priority, and then the subcommittee might meet later at some point, but to determine just how much time we have and what then, after we've distilled the main issues from this—

Mr Duignan: We'll have a look at those issues this morning and possibly the subcommittee, say, could meet for the first hour of next week and then come back to report to the committee for the second hour to discuss the recommendations of the subcommittee.

The Chair: The difficulty might be that we may not sit next week.

Mr Duignan: Oh, we won't be sitting next week, so we'll have to do it today.

The Chair: The House may not sit, so therefore today is the last opportunity. I think it would be useful to try and glean from this what are the main priority items to be dealt with in the intersession. Once we get a better indication of what time is allocated for us, then the subcommittee could meet, and if it had to, then further distil from that the priority, according to how much time is left, and then we could make decisions.

Mr Duignan: I like your original recommendation of those three issues, to deal with them over a period of three weeks. They're three good topics to deal with in the intersession.

Mr Peters: May I just help Mr Duignan. One further area that I would like to explore and would like to explore on your behalf, and it is based on your question, is whether passing a resolution under section 17 of the Audit Act for a special audit would give this committee broader powers to look into value-for-money issues. That may be an alternative to pursue, depending on your wishes or if you would like to go to a motion on that.

The Chair: That may be for further consideration.

Mr Duignan: Not during the intersession.

The Chair: On this same point, Ms Poole, or otherwise I have Mr Callahan on the list.

Ms Poole: Just going back to that three-week intersession period—

The Chair: I have Mr Callahan first.

Ms Poole: Oh, certainly.

Mr Robert V. Callahan (Brampton South): I'd like to support Margaret's comment about special education. It seems to me that it actually fits well, and I hope this won't be misunderstood by anybody watching this, with corrections. I'd like to find out whether or not we're putting people into correctional facilities because they've not been diagnosed as having a learning disability. If you figure it out, it costs us $140 a day to keep somebody in a correctional facility. I worked it out. You could probably send a kid to Harvard and that might be a better result than stuffing him away in a correctional facility.

I want to endorse what Margaret says. In tough times the money is cut back on special ed. Some of the statistics I've seen on special ed in terms of learning-disabled kids is staggering, it's frightening, because there are a lot of them out there and a lot of them are going undiagnosed. A lot of them are maybe being diagnosed and the report gets locked away in the safe at the school board and they never see it. Nobody ever considers it to be an essential item. In my other life and perhaps in my continuing life, I've seen kids where you could pick up in a second that they were learning-disabled, in the juvenile courts and no place to go except if they're put into close custody into one of these correctional facilities at an extraordinary expense to society.

Just watching last night's program in the United States, in Florida they've got a problem where the people go in for three years and come out in four months and they're back out on the street causing havoc. Miami is just in a state of siege. They're looking at further extraordinary amounts of moneys to create another 30,000 placements for jails.

If there's one thing we should learn from the United States—we seem to learn all the wrong things and we

seem to take all the wrong things from those. We should look at their situation down there, and I'm not suggesting a trip for one minute, but I think we should look at the problems they've got and anticipate the problems we're going to have here if we don't address them quickly.

I will end by saying that when I came to Canada in 1954, I guess—

Mrs Marland: Where from?

Mr Callahan: From the Bronx, the south Bronx.

Mrs Marland: That explains it.

Mr Callahan: I came up here because the education was so cheap and it still is. I can tell you this much: There was a movie out in 1950, Blackboard Jungle, and at that time when I came here the educational system was par excellence. You didn't have anybody holding a knife to a teacher's throat, as they did in that movie, but I can tell you at the time of the making of that movie that's exactly what was happening in the United States' schools.

We're now seeing it in our schools and we're seeing it for a number of reasons. We're seeing it because of overcrowding, because we're not stimulating the kids' minds, because there are no opportunities out there for jobs, drugs, the whole gamut. I think we'd better take a look at it and I think that's real value for money, Mr Auditor.

We should be looking at all three of those issues in terms of how we can best not just save money, because I don't think that's the nature of the exercise; the nature of the exercise is, are we spending the money that we do have, the little bit we have, in an appropriate way so that we're getting value for our dollar in human terms, in terms of whether we're protecting society and making certain that the future society for our kids will be safer, and also whether or not we're dealing fairly with the young people today who are finding themselves in conflict with the law, many times because of what Margaret just suggested, the inability to diagnose them with learning disabilities or, secondarily, the inability or the lack of motivation or resources to identify them?

Quite frankly, if we go through that exercise, as Correction Services critic I would be asking that every inmate in the young offenders section who's admitted to secure custody should be examined by a psychologist to determine whether he or she does have some form of a learning disability so he or she can be appropriately dealt with and not turned back out on the street to cause more mayhem.

The Chair: A point of order, Mr Duignan.

Mr Duignan: On the same point, I kind of agree with Margaret and Bob. We've already agreed, I think, or suggested that we would spend one of the three weeks looking at education issues, and that certainly can be one of those issues in that week. I suspect that we'll come nowhere near completion in one week. We may want to carry it over into the next session as well, but I suggest that be part of the whole issue of looking at education issues.

Ms Poole: Just for Margaret and Bob's benefit, before you arrived I had raised special education as one of the areas of particular interest that we have to look at. I believe it was Dr Frankford who also spoke in favour of looking at the special-education section. There was a consensus, I think, among all members that this was something we really felt needed to be explored.

The only other point, and I hate to keep belabouring this but it seems to keep getting lost in the shuffle, was that I think the auditor has said he would very much like us to look at the auditing and reporting process as a priority in March, when we go into the intersession, just that section, not the accountability framework, which would follow later.

If we are going to explore those three topics I would first of all, before we start on those three topics, like to give the auditor the opportunity to bring his concerns about the auditing process here too, as he has requested.

Mr Owens: I was just going to ask, on a point of clarification, are we talking about the process that Mr Peters undertakes with respect to his actions in terms of the audit process? Is that what we're talking about, allowing wider accessibility and stuff like that?

Mr Peters: No. The very specific one that I have a time concern about is really the accounting issue because the fiscal year-end of the province ends on March 31. As you know, I've put the province on notice that we would like to follow the new accounting rules, and the Minister of Finance has indicated that he would like to do so as well. I thought it would be worthwhile knowing just where they stand before the year-end actually closes. Are we going to be able to keep the accounts on that basis by March 31 or not? This committee might have an interest in that aspect.

1100

Mr Duignan: I suggest on this particular point that maybe the first day of our meeting during the intersession we will deal with this issue along with that. Maybe the auditor would give us some sense of what time frame we would need to deal with this issue.

Mr Peters: I would think that two sessions would probably do it. If we have two days, two hours—four hours in total.

Mr Duignan: Two hours?

The Chair: One full sitting day in the intersession.

Mr Peters: Four hours in total would give it a lot of time.

Mr Duignan: Okay, why don't we set aside the first day of the intersession to deal with this issue and then pick up the three items we kind of have consensus on for the remaining time?

The Chair: The auditor has something further to add.

Mr Peters: Before we get further, Mr Callahan made a very interesting point, and since special education seems to be on everybody's mind, I like the linkage to corrections services. But there is another linkage I'd like to point out to you that you may wish to pursue and that is chapter 3.05, which deals with the young offenders services, which go in the same—there may be a very unique opportunity actually for the committee to have three ministries involved in this particular area maybe appear jointly to see how seamless this process may

actually be. It's just a suggestion, but there may be a unique way of breaking ground in an area that is clearly on everybody's mind.

Mrs Marland: I think that last suggestion of the auditor's is excellent. I think we could learn a great deal by going through that process and being of help where we can to the government. That wasn't what I was wanting to speak about.

When you describe the intersession and looking at the accounting procedures, which I think have to be done in time for—if they're not happening, they're not being changed and we're starting a new year April 1. We have to give the government ministries the time to make those changes and revisions with help and direction wherever that is supposed to come from. What do you see as the first or second day of the intersession?

The Chair: Do you mean with regard to our sitting time?

Mrs Marland: Yes. What is meant?

The Chair: It has not been indicated to me by the House leaders or to anyone else, for that matter, just how much time will be made available to this committee. We haven't made a formal request yet at this point, but I would think that it would be appropriate for us to determine just how much time we need and then make a formal request on that basis. I think it would not be unfair to ask for at least three weeks, which would accomplish what we first believe to be a priority in the auditor's report, with these items that have been—I think there's a consensus around most of the items.

Can I attempt to just summarize what I thought was a consensus? It was agreed that the auditor's matter regarding accounting rules would be an item that we could deal with in one intersession sitting day and that the rest of the time could be dedicated to these three items: the special education, or the Ministry of Education and Training section that was dealt with in the auditor's report, the Ministry of Community and Social Services section of the report, as well as the Ministry of the Solicitor General and Correctional Services.

Those three items would be our intersession agenda. They would form the agenda for the intersession, and I think there seems to be some consensus that there's also symmetry in these three ministries around young people and special education and how that's dealt with through the entire system, so there could be a theme that we follow in examining these three ministries along those lines. But I guess we could allow the subcommittee to appropriately determine what and whom we would call before the committee on those items regarding the three ministries.

Mr Duignan: I concur, Mr Chair, and Margaret may have a list of people she may like appearing in front of the committee etc, or whatever the case is, people from the ministry; I'm talking about people from the ministry.

Ms Poole: Correct me if I'm wrong, but my experience over the years on public accounts is that you don't actually invite people from outside to hearings. It's usually an internal matter where we deal with ministry staff or government staff.

The Chair: Yes.

Ms Poole: We actually wouldn't have groups that appear. I just don't want any misunderstanding to be out there that people would believe there would be opportunities.

Mr Duignan: No, I agree. That's what I meant. They're the individuals I meant, the people from ministry staff etc.

Ms Poole: Good. It's just that public accounts is fairly unique in this regard.

The Chair: I think that's understood. I think it was just a miscommunication.

Mrs Marland: I understood what Noel meant.

The Chair: Can I then say that we would write to the House leaders—I believe that's the process or procedure we would use—officially asking for the time that is necessary, and I think it would be appropriate to ask for four weeks in the hope that we may receive three weeks.

Mr Duignan: The usual bargaining ploy?

Ms Poole: It sounds like a wise—

The Chair: I'm saying this on Hansard because it's pretty self-evident that this is what we hope to end up with, and usually we end up with less than that. I think four weeks would not be an inconsiderate amount of time, because these are pretty substantial matters. If we were granted four weeks, it would not be a waste of time, certainly, but less than three weeks I think would make it difficult for us to deal with this list in an effective matter. I think three weeks would be sufficient time. So let's ask for four and we might end up with three. If the House leaders are listening, that is our strategy, of course, and please be advised as of right now.

Ms Poole: If I might make one suggestion just to bump up our request, we could perhaps say we are going to be discussing the following four areas and so we require four weeks, then perhaps they'll be more amenable to saying that is a fairly substantial agenda.

The Chair: We'll leave that to the skilful and artful pen of our clerk. I'm sure he'll draft something accordingly that will see the light of day with the House leaders.

If there are no other matters, I think we can adjourn this morning.

The committee adjourned at 1107.

CONTENTS

Thursday 9 December 1993

Committee business P-375

STANDING COMMITTEE ON PUBLIC ACCOUNTS

*__Chair / Président:__ Cordiano, Joseph (Lawrence L)
*__Vice-Chair / Vice-Présidente:__ Poole, Dianne (Eglinton L)
*Bisson, Gilles (Cochrane South/-Sud ND)
*Callahan, Robert V. (Brampton South/-Sud L)
*Duignan, Noel (Halton North/-Nord ND)
*Frankford, Robert (Scarborough East/-Est ND)
*Marland, Margaret (Mississauga South/-Sud PC)
Murphy, Tim (St George-St David L)
*O'Connor, Larry (Durham-York ND)
*Owens, Stephen (Scarborough Centre ND)
*Perruzza, Anthony (Downsview ND)
Tilson, David (Dufferin-Peel PC)

**In attendance / présents*

Also taking part / Autres participants et participantes:
Peters, Erik, Provincial Auditor

Clerk / Greffier: Decker, Todd

Staff / Personnel:
Anderson, Anne, research officer, Legislative Research Service
McLellan, Ray, research officer, Legislative Research Service

CA2ON
XC21
-P72

Government Publications

P-21

ISSN 1180-4327

Legislative Assembly of Ontario

Third Session, 35th Parliament

Assemblée législative de l'Ontario

Troisième session, 35e législature

Official Report of Debates (Hansard)

Tuesday 18 January 1994

Journal des débats (Hansard)

Mardi 18 janvier 1994

LIBRARY

Standing committee on public accounts

Annual report, Provincial Auditor, 1993

Ministry of Education and Training

Chair: Joseph Cordiano
Clerk: Todd Decker

Comité permanent des comptes publics

Rapport annuel de 1993 Vérificateur provincial

Ministère de l'Éducation et de la Formation

Président : Joseph Cordiano
Greffier : Todd Decker

Published by the Legislative Assembly of Ontario
Director, Hansard Reporting Service: Don Cameron

Publié par l'Assemblée législative de l'Ontario
Directeur, Journal des débats : Don Cameron

Hansard on your computer

Hansard and other documents of the Legislative Assembly can be on your personal computer within hours after each sitting. Sent as part of the television signal on the Ontario parliamentary channel, they are received by a special decoder and converted into data that your PC can store. Using any DOS-based word processing program, you can retrieve the documents and search, print or save them. By using specific fonts and point sizes, you can replicate the formally printed version. For a brochure describing the service, call 416-325-3942.

Index inquiries

Reference to a cumulative index of previous issues may be obtained by calling the Hansard Reporting Service indexing staff at 416-325-7410 or 325-7411.

Subscriptions

Subscription information may be obtained from: Sessional Subscription Service, Publications Ontario, Management Board Secretariat, 50 Grosvenor Street, Toronto, Ontario, M7A 1N8. Phone 416-326-5310, 326-5311 or toll-free 1-800-668-9938.

Le Journal des débats sur votre ordinateur

Le Journal des débats et d'autres documents de l'Assemblée législative pourront paraître sur l'écran de votre ordinateur personnel en quelques heures seulement après la séance. Ces documents, télédiffusés par la Chaîne parlementaire de l'Ontario, sont captés par un décodeur particulier et convertis en données que votre ordinateur pourra stocker. En vous servant de n'importe quel logiciel de traitement de texte basé sur le système d'exploitation à disque (DOS), vous pourrez récupérer les documents et y faire une recherche de mots, les imprimer ou les sauvegarder. L'utilisation de fontes et points de caractères convenables vous permettra reproduire la version imprimée officielle. Pour obtenir une brochure décrivant le service, téléphoner au 416-325-3942.

Renseignements sur l'index

Il existe un index cumulatif des numéros précédents. Les renseignements qu'il contient sont à votre disposition par téléphone auprès des employés de l'index du Journal des débats au 416-325-7410 ou 325-7411.

Abonnements

Pour les abonnements, veuillez prendre contact avec le Service d'abonnement parlementaire, Publications Ontario, Secrétariat du Conseil de gestion, 50 rue Grosvenor, Toronto (Ontario) M7A 1N8. Par téléphone : 416-326-5310, 326-5311 ou, sans frais : 1-800-668-9938.

Hansard Reporting Service, 481 Legislative Building, Toronto, Ontario, M7A 1A2. Phone 416-325-7400. Fax 416-325-7430

STANDING COMMITTEE ON PUBLIC ACCOUNTS

Tuesday 18 January 1994

The committee met at 1009 in room 151.

ANNUAL REPORT, PROVINCIAL AUDITOR, 1993
MINISTRY OF EDUCATION AND TRAINING

The Chair (Mr Joseph Cordiano): Members of the public accounts committee, come to order. On this morning's agenda we have Dr Pascal and his colleagues. Dr Pascal, you have an opening statement which is approximately 20 minutes. We'll proceed from that to questions and open it up to the committee. Mr Duignan, you have a point or a question?

Mr Noel Duignan (Halton North): A question, Mr Chairman. In our brief closed session briefing yesterday, most of us in this committee room expressed great concern around the whole question of special education and related matters around compensatory education grants etc. This may be an area we want to take a further in-depth look at later during the session and possibly into the summer. My question to the auditor is, if this committee felt it were necessary, could you do a value-for-money audit into the whole question of special education and those related matters brought up in the auditor's report? Would that be of any use to get at some of those questions that need to be answered?

The Chair: It would be a request under section 17.

Mr Erik Peters: That's right, and before that decision is made, I would recommend that we possibly go over the criteria used in the examination that's before you, essentially to raise the question of what that special audit would add over and above what we have done.

Mr Duignan: But it is possible, if we set the groundwork, to do that?

Mr Peters: It's certainly possible.

Mr Duignan: In my particular view, and I think a number of us on this side, we have a great concern with the whole question of special education and related matters such as the compensatory education grants and the grants for education programs in care, treatment and correction facilities. There are some questions that need to be answered. But it's possible to be done?

Mr Peters: That's right. The one difficulty that of course we're facing in this particular situation is that our audit domain principally is the ministry. The examination of the school boards themselves and activities that are carried out in the classroom would really require special authority in terms of how far we can go in that kind of audit examination.

Mr Duignan: So you'll be able to check it out for us?

Mr Peters: Yes, we'll check it out.

Mr Duignan: Thank you.

The Chair: If there are no other points of order or questions, we'll allow Dr Pascal to make his opening remarks. Please proceed.

Dr Charles Pascal: Thank you very much, Mr Chair. I'm very pleased to be here with my colleagues to pursue the issues arising from the Provincial Auditor's report. I understand that the focus of the dialogue today and in later sessions will be the auditor's reports on curriculum development and special education.

The ministry very much appreciates the opportunity to address the issues in these opening remarks. I look forward to responding over the next three days, with the assistance of my colleagues, to the committee's questions and comments about some very difficult issues.

With me here today are two of the ministry's assistant deputy ministers, Jill Hutcheon, who is our ADM for policy priorities and curriculum development, and Mariette Carrier-Fraser, of the elementary, secondary and post-secondary operations and French-language education division, and there other team leaders in various areas who will be introduced to you over the course of the next couple of days as part of our discussions.

Throughout the audit process, the ministry has found the experience of working with Mr Peters and his colleagues to be very, very positive, constructive and indeed very productive. The ministry sees these sessions with this committee as an opportunity to speak to the auditor's recommendations in very specific and concrete terms, to indicate what the ministry and the education system have done and are doing in both the short and long term to address these recommendations, but also, quite frankly, to speak clearly and to the point about what hasn't been done, what needs to be done more effectively or hasn't been done at all and what needs to happen as a result; to outline where the ministry has authority in terms of current statutory and regulatory powers and where we need to take action; where in less formal ways than statute or regulation the ministry can and should influence or direct the education system more effectively; and to describe some of the barriers that still stand in the way of resolving a number of key issues.

First, however, I'd like to outline for the committee the ministry's overall perspective on the issues the auditor has raised. After serving for about 11 months as deputy minister of the new Ministry of Education and Training, I have no hesitation in saying that the Provincial Auditor is right: that there are real and significant issues of accountability and equity in the education system and that these issues need to be addressed to ensure that the public's substantial investment in education results in the delivery of the highest possible quality of education.

Elementary and secondary education is a shared responsibility between the ministry, which, as you know, sets provincial policies, and school boards, which are responsible for implementing these policies to reflect the needs and wishes of their constituents. The roles and responsibilities are outlined in statute and reflected in the way elementary and secondary education is funded.

Indeed, the way in which we currently fund our elementary and secondary education system also presents

issues of accountability and equity, as the auditor has noted. In the current fiscal year, Ontario taxpayers will invest some $14 billion in elementary and secondary education. Of that total, the province will provide a share of approximately $6.4 billion.

Two major problems with the current funding system are, first, that it does not make clear who is responsible for which spending decisions; that is, there is a basic issue of accountability transparency or a lack thereof. Second, the system has led to disparity in the level of resources that school boards have for the education of their pupils, so there's also a basic issue of equity.

Through its education finance reform project, the ministry has undertaken, in concert with stakeholders from the system, to develop a new funding model for education that hopefully will address these issues. Our goal is to present to the government a funding system that will clarify accountability and move towards greater equity in the resourcing of school boards.

The auditor's report has highlighted similar needs for Ontario's elementary and secondary education community to review traditional definitions of roles and responsibilities in other areas. It is a subject that we need to address as partners working on the basis of our shared commitment to learning and recognizing the changes necessary to meet that commitment.

The importance of this issue of roles and responsibilities in the delivery of education is shown by the minister's decision to make the issue of governance a major responsibility of the mandate of the Royal Commission on Learning. The auditor's report recognizes that many of its recommendations touch on issues within the commission's mandate. A key challenge for us in developing the ministry's response to the recommendations has been to strike an appropriate balance between taking effective action on these issues in the short run, while not preempting the work of the commission in the medium- and longer-range run.

Overall, then, the Ministry of Education and Training sees the auditor's recommendations as extremely valuable suggestions and leads for strengthening the ministry's agenda for greater accountability and equity in education. Responding to these recommendations is first, of course, the responsibility of the ministry, but it's also the responsibility of the whole elementary and secondary education system.

At issue as well is our role in holding the school boards accountable for the exercise of their delegated responsibility. I don't wish to engage in too much "It's their responsibility" activity, pointing the finger at school boards that have exercised authority when in fact we have delegated that authority to them. I want to also focus, with the help of members of the committee and certainly through the leadership of the auditor's report, on our responsibility to influence where we don't have statutory or regulatory power.

First of all, a few comments with respect to curriculum development. The auditor's recommendation on the development and implementation of curriculum illustrates these general observations in more specific terms. The ministry sets provincial policy and issues provincial curriculum guidelines, which boards are required to follow. Through these guides, the ministry fulfils its responsibility of providing a common framework for the development of programs and courses of study.

The provincial guides are prescriptive, but they're also general. The development of more detailed curriculum based on these documents is a necessary step before the programs and courses can be delivered in the classroom. What Ontario does not have is a system-wide approach to this intermediate stage of more specific coordinated curriculum development.

It is important to note that the auditor recognizes that local school boards need some flexibility to adapt provincial curriculum guides to meet local needs. What the auditor is calling for—and the ministry completely supports this—is a better balance between local curriculum development and central coordination to reduce costs by eliminating unnecessary duplication, to ensure greater consistency in the quality of curriculum throughout the province and to ensure the sharing and use of best practices in the development of curriculum. This issue has particular importance in the current economic context, where it is essential to derive maximum benefit from each education dollar.

The ministry's approach has been to encourage and support partnerships among boards. Some boards have already formed groups to develop and share curriculum materials. Several of these consortia have received financial support from the ministry through the transition assistance fund. The ministry is working to establish a provincial clearinghouse to facilitate the sharing of curriculum materials developed by boards and schools. This clearinghouse will be an independent service operated by a partnership of stakeholders.

1020

We're also taking advantage of communications technology. In partnership with the Ontario Teachers' Federation, the ministry is funding a project that links teachers throughout Ontario on a computer network. As of yesterday, there are about 4,000 teachers, and about 60 additional ones registering on a daily basis, all involved in a computer networking project that's designed to facilitate collective problem-solving across the province. Teachers and boards can also access an educational database called Onteris that has information about curriculum documents and learning materials.

With respect to the implementation of the new Common Curriculum for grades 1 to 9, the ministry is pleased by the auditor's positive comments on this curriculum and, importantly, its emphasis on learning outcomes.

The Vice-Chair (Ms Dianne Poole): Dr Pascal, we note that you're reading from a prepared text. Would it be possible to have a copy so we can distribute it to members? Do you have an extra copy with you that the clerk could take?

Dr Pascal: I don't have an extra one. Someone behind me may have. Yes? Then let's distribute them. I had hesitated in being prepared to do that because I really didn't sign off on my comfort level about what I wanted to say in a formal way until about an hour and a half ago.

Mr Duignan: On the same point, Madam Chair: If they're making any other presentations through the course of the rest of the week, could they make a copy available to the committee members?

Dr Pascal: The only presentations we will make throughout the rest of the week will be in response to well-put questions, and if a paper is necessary to satisfy the questions of members, we will provide paper in a timely way.

The Vice-Chair: I hope that doesn't mean that if questions aren't well put, you're not going to respond to them.

Dr Pascal: I'm sure all questions will be well put.

The Vice-Chair: That makes one of us. If you'd like to proceed, Dr Pascal, I apologize for interrupting.

Dr Pascal: Not at all. I'm sorry we didn't hand those out. I am on page 17, for those who wish to track my ad libs. These are notes for my presentation.

One significant difference between this curriculum and previous curriculum guides is that, as the minister has indicated at the time of its release, The Common Curriculum is a dynamic document that will grow and change with time and usage and advice from classroom teachers, parents and others.

The ministry has already started the consultations that will lead to the publication of a new version of the guide this year. As part of this process, the ministry is working with its partners to identify and coordinate the development of additional curriculum resources that will be needed to support the implementation of the curriculum.

The auditor has also recommended that the ministry broaden its field of vision when setting provincial curriculum guidelines by involving a wider range of provincial stakeholders and systematically reviewing curriculum from other provinces and countries. The ministry is committed to promoting greater involvement in education by all stakeholders, including those identified by the auditor and others, including students, parents, business and labour, for example, who are all involved in one way or another in The Common Curriculum review.

The minister has also established the Ontario Parent Council, with a mandate to provide advice on educational issues and to look at new ways of involving parents at the local level. The education-work connections project promotes school-community interaction to increase student retention and assist students of all ages with the transitions between and among school, work and further education and training opportunities. The school-colleges linkages project will promote partnerships between schools and colleges of applied arts and technology, building on the many articulation agreements that already exist between many of the schools and colleges across the province.

Through its participation in the activities of the Council of Ministers of Education, Canada, and in international testing and curriculum comparison programs such as TIMSS, the third international mathematics and science study, scheduled for 1995, the ministry is also continuing to gather extensive information about curriculum in different jurisdictions.

If I can talk briefly about technology curriculum, two areas that the auditor highlighted as special concerns are curriculum for the broad-based technology program and French-language education.

When the ministry began to develop the new technology curriculum, it decided that we should be guided by the experience gained from programs that were being funded under the technological education program and equipment renewal fund. The documents for the new technology programs are therefore based on input and innovation and experimentation from school boards that have been running new programs over the past several years. Draft curriculum documents for the new program have been shared with school boards, and the ministry expects to have final documents in the schools by the end of this school year. The ministry is working with faculties of education to redesign the basic pre-service teacher program so that it reflects the new focus on broad-based technology.

In the area of French-language curriculum and teachers, the auditor's report has identified significant equity issues. As the report states, the basic issue is the need to ensure that French-language education in Ontario is of comparable quality to English-language education. The report summarizes the challenges of reaching this objective very well when it states, "The main difficulty is in trying to provide quality curriculum, teachers and facilities to a small, widely dispersed population in a cost-effective manner."

The ministry recognizes the need to improve the delivery of French-language curriculum. One means to achieve this is through an approach that emphasizes the development and support of cooperative efforts among and between boards and sections of boards. In cooperation with French-language school board officials, the ministry is working towards an agreement on ways to coordinate the development of French-language curriculum. This agreement will facilitate multiboard initiatives related to The Common Curriculum starting in the 1994-95 school year.

The ministry has negotiated agreements with consortia of French-language school boards or sections of boards to operate French-language teacher in-service training centres in three of the ministry's six regions. These centres will allow boards and sections to work together to enhance the quality of French-language education by providing joint teacher in-service training, by making better use of educational technology and by sharing services. The ministry expects that similar centres will be operating in the three remaining regions by 1994-95.

The ministry provides financial support for the development of French-language learning materials through the learning materials fund. In the 1994 request for proposals for funding, a high priority will be given to curriculum projects involving partnerships among and between school boards to foster a more cost-effective approach to curriculum development.

The ministry agrees with the auditor about the cost-effective delivery of French-language learning materials. It should also be noted that the ministry is often the only

source of assistance to produce French-language versions of important learning materials because of the economy-of-scale problems that publishers find in terms of that particular market.

Following the auditor's recommendations, the ministry will develop a proposal to carry out an evaluation of the supply and demand of French-language learning materials in 1994 and encourage teachers to participate in setting priorities for the learning materials fund. Teachers will also be asked to recommend French-language materials from other provinces to the fund.

In the longer term, the development of new interprovincial partnerships, in particular the activity of the Council of Ministers of Education, Canada, on curriculum comparability, will lead to a wider application of learning materials from other provinces in the province of Ontario.

Teacher training is always a critical issue in the delivery of curriculum. The ministry is pleased by the auditor's positive remarks about its French-language consultative services program and is implementing a marketing strategy to increase awareness of the resources and support this program offers French-language teachers. The establishment of French-language teacher in-service training centres, which I've already described, will also help in this regard.

The Royal Commission on Learning has a mandate to examine issues related to French-language education governance as well, and the ministry expects the commission's recommendations will help set directions for the evolution and improvement of French-language education in Ontario.

Accountability: The ministry is addressing many of the issues the Provincial Auditor has raised about accountability, but not all of them. These measures will improve the consistency and quality of education throughout the province and increase public confidence in the school system. In the short term, the ministry has already planned and in some cases implemented a number of assessment activities that will give us more information on how the curriculum is being followed and on student achievement.

Ontario's education system is already moving to set clear standards and learning outcome expectations. The new Common Curriculum describes the school programs in terms of learning outcomes; that is, the results we expect students to achieve and demonstrate. The ministry has recently released the provincial standards in math for grades 3, 6 and 9. Provincial standards for language for the same grades will be released for consultation by the end of March of this year. Taken together, these learning outcomes and related provincial standards are a solid base for program accountability, as suggested by the auditor.

In December, the minister announced the results of the provincial review of grade 12 writing in English and français. This review confirmed that our new emphasis on defining the results of education and stating clearly what we expect students to know and be able to do is the right way to go.

1030

Activities already under way include the grade 9 reading and writing test, the preliminary results of which have been returned to schools, and there are plans to repeat this program in 1994-95. The grade 9 test gives us a picture of student achievement at a critical stage of education, at the end of elementary years and at the start of secondary school. Some 40,000 grade 9 students have participated in the test this past fall and have already received their individual results. The remaining 100,000 grade 9 students will take the test in the spring. Support for the test and this testing program from parents has been enthusiastic, and it could not have been administered successfully without the commitment and professionalism of grade 9 teachers throughout the province.

The results of the first national SAIP, school achievement indicators program, test of student achievement in mathematics organized by the Council of Ministers of Education, Canada, were announced last month. The ministry will continue to participate fully in this program, which, under Mr Cooke's leadership at CMEC this past year, is being expanded to provide national testing in math, language and science on a three-year rolling cycle. We will also participate in the third international math and science study in 1995. This issue is also an important part of the royal commission. In the longer term, the commission's recommendations in this regard will assist the minister, the government and the ministry in setting direction.

Teacher education, pre-service and in-service: a few remarks in this regard. The ministry and Ontario's education community share the auditor's concerns about the training and ongoing professional development of teachers. The teachers in the classroom obviously provide the backbone of the education system. Regardless of how we define quality of education and regardless of an emphasis on learning outcomes, it is an effective teacher who gets the job done for students, parents, guardians and for the society at large. The initial training of teachers, the introduction of new teachers into the classroom setting—that is, the induction process—and the professional enrichment of experienced teachers, are all vital components of quality education and positive educational change. Regardless of anyone's agenda for reform, teacher education has to be at the heart of any process of transformation. This is certainly obvious to us in the ministry and to those around the table. It certainly was obvious to the Provincial Auditor.

Educators have put a great deal of effort into reviewing the current system and have made wide-ranging suggestions for improvement. As the effective training and professional development of teachers is a critical component of changes to the curriculum, the whole issue is an important part of the mandate of the Royal Commission on Learning and to those of us in the ministry. In the shorter term, the ministry is committed to continuing work with faculties of education and the education community to identify and address current teacher education and training needs.

While the Royal Commission on Learning is examining future directions, the ministry is examining the recent reports around teacher education produced by the Teacher

Education Council, Ontario. This will enable us to respond, we hope, quickly to the commission's recommendations when it reports in December 1994.

The ministry has also taken a number of steps to help teachers improve their skills and expertise: funding for innovative projects such as the Ontario Teachers' Federation "Creating a Culture of Change" initiative, to which I referred earlier; allocating a portion of the five-year, $60-million technological education program and equipment renewal fund for teacher training; and, as mentioned previously, negotiating agreements to set up regional French-language, in-service training centres to help meet the special needs of teachers in French-language schools.

The ministry also recognizes that the implementation of The Common Curriculum will create ongoing needs for teacher training and professional development. It's important to note that The Common Curriculum, unlike previous curriculum guides in Ontario, is a document that is designed to be revised and updated on a regular basis. The ministry is already receiving feedback about the current document and has specifically asked participants to offer suggestions about the kind of training teachers will need to help make effective use of the new curriculum.

It's also important to note, in the area of teacher education and training, that prior to the reorganization and restructuring of the ministry about 11 months ago, whenever we talked about faculties of education and their involvement in teacher education and in-service, any government in Ontario had to deal with two separate ministries; sometimes, in the past, under previous ministers and previous deputies, only one minister and one deputy, but up until now there has not been a full integration so that we have a slightly more focused opportunity to move on what's right in the area of teacher education.

Special education: Quite frankly, the auditor's findings on special education are of great concern to the ministry and to me personally have given many moments for pause in terms of addressing some of the difficulties. The findings reflect concerns that are held by many educators and parents whose children require special education programs.

Our accountability mechanisms need strengthening in both areas assessed by the auditor: the procedures and guidelines for monitoring school boards' compliance with the laws, regulations and policies governing special education; and the efforts to evaluate how effectively different programs and services are meeting the needs of exceptional students.

The statutes and regulations governing special education are of fairly recent origin. As we all know, the central piece of legislation that established the current system, Bill 82, was passed in 1980, with full implementation of its requirements in September 1985. It was this legislation that actually established the requirement for school boards to provide special education programs and services to exceptional pupils.

In a broad sense, then, the current legal and policy framework for special education was developed with a focus on providing a right for exceptional pupils to receive an education from their local school boards. This explains why the Education Act addresses procedures for identifying the individual needs of exceptional students and placing them in an appropriate program.

The recent passage of Bill 4, which received royal assent in July 1993, has enhanced the system's ability to respond to these individual needs. It has removed all references to the term "trainable retarded pupil" from the Education Act and deals with the provision of services for students with developmental challenges in Metro Toronto. It also enables the minister to make regulations regarding the use of American sign language and la langue des signes québécois as languages of instruction. Importantly, it removes the hard-to-serve category from the Education Act.

The current situation is that the delivery of special education programs and services is the responsibility of the school boards. Boards have a wide latitude in deciding what kinds of special education programs will be delivered to their students.

Special education advisory committees that boards are required to establish under the act are intended to be, in part, a mechanism for local accountability. The auditor has noted the need to ensure that these committees have information about best practices that will assist them in fulfilling their role.

The ministry agrees with this and will work with the Provincial Parents' Association, which is a special education group, and others to revise and distribute the association's handbook for members of special education advisory committees. The ministry will also take a lead role in communicating this information to boards and work with the association to increase awareness of this resource among members of local advisory committees. I think we can do more, and I'm sure members will wish to explore what those possibilities might be.

These measures will strengthen one mechanism for accountability. However, the auditor had expressed concern about the current ability of the ministry's regional offices to monitor school boards' compliance with special education legislation. The auditor has also pointed to the need to establish clearer guidelines for the provision of special education as a necessary component of an accountability mechanism.

As part of its reorganization following the consolidation of three former ministries in February of last year, the ministry has undertaken a comprehensive review of its regional services. This timely review includes a review of how the ministry monitors or should monitor the delivery of special education by school boards.

With respect to the issue of guidelines, it needs to be stressed that there is not a consensus within the special education community about a single approach to special education. This is reflected in the ministry's response to the auditor's recommendation that the ministry review to update its definitions or categories of exceptionalities.

As the ministry's reply indicates, the use of such definitions is an issue within the education community. Some groups involved in special education believe there is an emphasis on definitions leading to labelling of exceptional pupils, which they believe is inappropriate.

Other groups believe that definitions should be retained to assist in identifying the needs of exceptional pupils so these pupils may be appropriately served.

Another factor that must be addressed in developing guidelines is that some support services for special education are offered in partnership with local service agencies and community organizations. Special services such as treatment and care are beyond the mandate of school boards. These services may fall under the jurisdiction of other ministries.

1040

At the provincial level, we need to do a better job of working in partnership with other ministries so the needs of all of our clients may be met through a more coordinated, effective and cost-effective programming. The ministry also intends to be more active in encouraging the same collaboration and joint effort at the local level.

The ministry is committed to increasing opportunities for the integration of exceptional pupils into regular classroom. The ministry is currently working, in consultation with interested groups and individuals, to develop a proposed policy on integration. This process of consultation is certainly helping us to clarify what the education system needs in terms of policy direction from the province. The ministry will continue to work with school boards and other interested groups and individuals to develop guidelines providing cost-effective programs and services.

The auditor has also raised concerns about the use of resources for special education. These concerns focus on the availability and cost-effective use of specialist resource staff to assess the needs of pupils and to support the delivery of special education; on the lack of information about cost-effectiveness of different models for delivering special education and the use of compensatory grants and grants for education programs in care, treatment and correctional facilities.

The ministry agrees completely that there is a need to develop information that will support more efficient management of special education and to improve the monitoring of how the system uses human and financial resources.

As I mentioned earlier, one of the goals of the education finance reform project is to propose a funding model that will make the lines of accountability and transparency much clearer and provide greater equity in the distribution of funding to school boards.

The ministry reorganization provides opportunities, we think, to help redefine the goals and reshape programs and services in light of its mandate for lifelong learning and the need for greater productivity in a time of reduced resources. This will be essential in order to respond to the auditor's recommendations, particularly in the context of the government's deficit-control measures.

The auditor's report is extremely well done. It's very timely. In Ontario, as elsewhere, public concern about the quality and cost of education is high. The ministry is committed to taking action to build public confidence, strengthen accountability and equity throughout the system and create new partnerships to improve our education and training system.

Thank you, Madam Chair. I very much look forward to our dialogue, to dealing with questions and concerns that arise and, importantly, engaging in a collective process to increase our commitment, perceived and otherwise, to accountability, for the sake of outcomes which are high, relevant and assured for the people of Ontario and their tax dollars.

The Vice-Chair: Thank you, Dr Pascal, for your presentation today. As Mr Duignan noted earlier, members from all three caucuses are most interested in pursuing the special education component, so if it's amenable to you and your assistants, we would probably first focus on special education today and probably a good part of tomorrow before going into the curriculum development.

I believe the auditor has a few comments.

Mr Peters: I would just like to express our thanks to the ministry, its staff, the school boards, the principals, the teachers and the interest groups who came forward to meet with us to help us in this audit process.

There's no doubt that across the system there are major concerns. The major concerns are that there's interest in fixing the problem in preference to fixing the blame. This part of our report is viewed as a particularly good example of the new approach we are taking in doing this, fixing the problem rather than fixing the blame, and to have our report used as a catalyst for action. The focus of everybody we met was really on how well students are taught and learn and what the outcomes of the educational system and the impact are on students. I'd like to thank everybody we have met in the context of this audit.

The Vice-Chair: I would suggest that we have 15-minute rotations. We'll start with the government caucus. I have Mr Duignan, Ms Haeck and Mr Malkowski on the list.

Mr Duignan: Thank you for your presentation this morning. I'm going to focus, as I said earlier, on the special education component of the auditor's report. As alluded to earlier, I would indeed like to see a special audit, if need be, done on this whole question of special education and related matters. That's something we will discuss later.

It's amazing that we spend some $14 billion on education, nearly as much, as my colleague indicated to me, as we do on health. Sometimes I wonder, with what we read in the newspapers and given our experience in the local areas, what the hell we spend $14 billion on, given some of the problems in the education system.

I want to focus a little on special education. The auditor's finding on special education, which you alluded to, has raised a great deal of concern in the ministry. I have a kid who receives special education, so not only do I have a stake in but a great concern about how this is carried out in the numerous school boards.

Has the ministry finished its review of special education and support? Given the fact that it knows all the problems in relation to the support mechanism for special education, given it knows the problems of the

accountability, that the school boards are spending the money on special education, what has the ministry done to date in putting in place or implementing the systems necessary to make sure that those problems are corrected?

The Vice-Chair: Dr Pascal, I note that you've been joined at the table by a number of people from your special education branch. Would you like to introduce them to begin with? Then perhaps the first time a member of your panel speaks, they could just identify themselves for Hansard.

Dr Pascal: Thank you very much, Madam Chair. I'll introduce colleagues as they come and go, as issues arise. I very much appreciate the committee focusing on special education, for a whole bunch of reasons: First of all, a dedicated focus allows us to provide staffing support as appropriate and necessary, but also because of the pre-eminence of the issues in the auditor's report.

To my immediate right is Jim Doris, who's a team leader for education finance reform. To my immediate left is Peter Ferren, from our special education team. Deborah Goldberg is here from our legislative services and legal team. Each of them, Madam Chair, as you've indicated, will reintroduce themselves when they speak.

With respect to what we've done to date, let me make a few preliminary comments and then perhaps ask Peter Ferren if he would add to my preliminary remarks. I think it's very important to remind ourselves that when Bill 80 was introduced and launched by Dr Stephenson in the first year of the 1980s, the responsibility for the manner in which assignments and individualization would take place was a responsibility of the board. As the Provincial Auditor has noted, there is a responsibility on the part of the board to submit annual reports with respect to the plan and the issues arising from implementing the plan. It's the responsibility of the ministry, through its regional offices, to assess the plan and to provide feedback to the board about the issues arising.

The Provincial Auditor has noted some problems and inconsistency about closing the loop with respect to the monitoring. I think it's a legitimate issue for him to have raised, because that obviously was his experience and his findings. We will talk in our discussions, I'm sure, today and tomorrow about what we're going to do to correct that.

Let me also comment very briefly on the issue of levels of service before we get into some details about what in fact we have done since Dr Stephenson introduced the legislation in 1980 and what we propose to do as a result of the Provincial Auditor's recommendations.

The issue of level of services and the inconsistency in that regard are in part a function of the individual manner in which school boards could innovate in terms of either providing a direct response to a special child's needs or doing something in partnership with another part of their school board or indeed with another school board entirely. As a result of this, the perception is, and in some people's experience, their perceived version of reality, there's inconsistent levels of service. There's an apple-and-orange situation. If you look at what's taking place from child to child or board to board, it looks inconsistent because of the high level of individualization in terms of how boards deal with the problem.

I think the perception is far worse than the reality, but the issue remains, and it's something that, as the Provincial Auditor suggested, we might have done a better job of with some applied research in terms of actually studying what is being done and what the various options are from the point of view of not only service but cost-effectiveness. I think we in government, generally speaking, probably need to do far more applied research in terms of what happens when we implement policies such as this.

My hope, Madam Chair, is that through the government's final response on integration, which is in the works, there will be far more harmony in terms of what happens with levels of service through the options they choose with respect to integration.

Those are a few opening remarks, and I apologize for the length of them. If it's okay, Peter will provide some details with respect to what we've done since 1980 in terms of the policy and what we propose to do in terms of some of the issues arising from the Provincial Auditor's report.

1050

Mr Duignan: I was wondering, because you weren't actually answering the question.

Mr Peter Ferren: To list just a few of the activities since 1980 which I would consider major activities that have been carried out in the field of special education, I suppose from the time that Bill 82 was introduced and approved in 1980, the next immediate steps were regulations 305 and 306.

Regulation 305 sets out the procedure for the establishment of identification and placement review committees. That is really the mechanism for identifying whether a pupil is indeed exceptional or not, identifying that particular pupil's needs and recommending appropriate placements. That process builds in a parental involvement, a parental consent for the recommended placement, the opportunity to review that program and also to appeal the placement. That particular regulation I think is a cornerstone of the Education Act amendment of 1980.

Over the years, what has happened there, if I can go to what we anticipate in relation to that particular regulation, there has been criticism of the IPRC process. Certainly many parents have found that that process is uninviting, that it's not a very welcoming situation to be placed in, particularly when there is the feeling that the decisions may have been made already before the parent enters the actual decision-making process at the end of all of the information gathering. Also, I think the number of staff involved in that particular process intimidates parents. I think that's a legitimate concern, and parents have expressed that to us even in recent consultations concerning the integration of exceptional pupils.

The ministry is launching a review of the IPRC process to address some of those concerns that have been expressed, not only by parents but by school boards and parents' associations, and that review has just begun by the Advisory Council on Special Education.

Another regulation that's pertinent to the auditor's

report is regulation 306, which spells out the procedures for the review of the special education plans, and that's the annual review process. There are improvements, obviously, that need to be addressed in that particular area. The auditor has drawn attention to the lack of guidelines for the provision of programs and services. We do have guidelines for the review of the special education plans, but as Dr Pascal has indicated, the delivery of the programs is the responsibility of the school boards, so we have not issued prescriptions to school boards on how they would deliver those programs. But what we intend to do is to review with the Ministry of Education and Training's special education committee that particular issue and to develop appropriate guidelines in consultation with the Advisory Council on Special Education, the trustee associations and the parent associations. That Ministry of Education special education committee consists of a representative from each of the regional offices and from each of the provincial schools, the director of the provincial schools project and a representative from MET.

Some of the other major things that have happened since 1980: The ministry prepared, developed and issued a special education handbook; it's a 1984 handbook, but it's very detailed. It contains suggestions for programs for particular exceptionalities such as learning disabilities or dealing with pupils who have limited vision or who are blind. It contains a list of support documents that the ministry has developed and also the pertinent memoranda around Bill 80.

There have been several support documents developed during the last 10 to 12 years. Just to name a few, they deal with behaviour and communication and vision. In 1985, the ministry produced one, Programming for the Gifted. I guess the last one the ministry has produced in the area of special education is the 1990 document, Planning for Independence. That is a rather extensive document, with suggestions for school boards in planning for programs for pupils with developmental disabilities in the elementary level and in the secondary level. That document contains case studies and examples of how school boards could develop appropriate programs for these particular students.

To come to recently now, in terms of what we propose to do and what we have done, in 1992 the ministry conducted a consultation with the major partners in education throughout the province on the proposed directions for the integration of exceptional pupils. The development of those particular directions is still under way. Following that consultation and review, there have been several meetings with stakeholders across the province, particularly during this past year, 1993, in May, September and December.

What the ministry has endeavoured to do through those particular meetings is to glean from the major stakeholders: What are some of the major issues around the integration of exceptional pupils? What are some of the major issues around the allocation of resources? How can we support teachers effectively through in-service training programs and pre-service training programs? And how do we address the issue of making the facilities across the province accessible for all pupils with disabilities? Those are some of the major activities.

The Vice-Chair: Thank you, Mr Ferren. Mr Duignan, your time is almost up, but a lot of that time was actually taken by ministry staff explaining some of the background of what's happening in special education. As long as there's a consensus by the opposition, I'll add a few more minutes to your time so that you actually get an opportunity to ask some questions. Mr Duignan, did you want to proceed?

Mr Robert V. Callahan (Brampton South): You've got to hold the floor, Noel.

Ms Christel Haeck (St Catharines-Brock): I'll give him a nudge.

Mr Duignan: Thank you very much, Madam Chair.

Indeed I thank you for bringing us up to speed to this point in time. However, my questions haven't been fully answered and I intend to pursue them over the course of the next couple of days. You mentioned the fact that there's a review of the process in place and that it's just begun. How long do you envisage that process taking place and when do you expect to report back and when do you expect to implement the recommendations from that report?

Mr Ferren: The anticipated time line for the establishment of the guidelines for the provision of programs and services is the fall of 1994. We're just initiating that process now with the regional offices of the ministry.

Mr Duignan: Also, the auditor has expressed some great concern about the ability of the minister's offices to monitor school boards' compliance with special education. We've dealt a little bit with that. Also, the auditor has pointed out the need to establish clearer guidelines for the provision of special education as a necessary component of the accountability mechanism, just taking it from your notes here. In the meantime, what are you doing to satisfy the auditor on that point?

1100

Mr Ferren: First of all, concerning the guidelines, I've just addressed that. We've begun that process just now. We've only had the first meeting concerning the establishment of guidelines, and that will continue on a monthly basis until those guidelines are established. They will be reviewed with the advisory council on special education and the other stakeholders. So that's the provision of the guidelines for special ed programs and services.

In terms of the monitoring, we have recently developed guidelines for the review of the school boards' special education plans and have just reviewed those with the regional office representatives. That's for the monitoring of the school board plans. Those are guidelines for the school boards to review their plans.

Those reviews then are due in May 1994, and it's the issue after those reviews are received by the regional office staff that is at issue.

The regional office staff will, in this coming year, review those guidelines and will, as it has in the past, correspond with the school boards where there is noncompliance with the regulations or the act, and then there

will be a further follow-up to ensure that those non-compliance issues are corrected. That's the immediate action on that. That's not the long-term solution to the whole monitoring process, but the closing of that loop was one of the concerns.

Mr Duignan: Just very briefly—I know my time has expired—given the fact this legislation has been around for some 14 years and fully implemented for some nine years, why did it take so long for the Ministry of Education to recognize there were problems in the system? And, given the fact that it took so long, is there a mechanism now in the ministry to make sure that there is continuing monitoring of these programs to make sure that the problems are corrected immediately and not wait for another nine or 14 years?

Mr Ferren: Certainly, to the last question, there is, as I've indicated, a process in place and we will be reviewing that situation annually when we develop the guidelines for the review of the plans.

In terms of the time line for identifying some of the issues, I think some of the issues have been identified. But I think we need to keep in mind that in many areas, overall, the compliance with the requirements of the act and regulation have been quite satisfactory.

Mr Duignan: To whom?

Mr Ferren: To the ministry in terms of the plans—

Mr Duignan: Certainly not to the parents in many cases who come to see me in my constituency office, and I know many members have the same problems as well.

Mr Ferren: I think that's a different issue. That's the issue that's directly talking about the delivery at the local level. That's another issue altogether and that relates back to the provision of guidelines for more consistency in the types of programs and services that are provided.

The Vice-Chair: We have time for one quick question from Ms Haeck and then we'll go on to the official opposition.

Ms Haeck: I'm going to take a slightly different tack and it's not going to be on special education. The auditor has identified that with regard to the French teachers we have in the system, retention is extremely low and a large proportion of teachers who teach in the province come from outside of the province.

The issue that I wanted to raise also relates to, first of all, where the teachers are coming from, what kind of accreditation they have to go through in order to work in the province and what kind of coordination there is with the other provinces—I'm thinking particularly of Quebec and New Brunswick—where in fact they all require French teaching materials and as a result they need some sort of resource.

I understand that there's a concern that this deviates from the special education side of the equation, but I'm just looking through Dr Pascal's notes and I will put them on notice and they can answer that at a later date.

The Vice-Chair: I appreciate your saying that, Ms Haeck, because we did tell the ministry that we were going to focus on special education for today.

Ms Haeck: I have marked Dr Pascal's presentation. I'm just being chronological.

The Vice-Chair: We will assure the ministry that today we will focus solely on special education, so if some of your curriculum people have other things they'd like to do this afternoon, we won't ask any questions that will pull you up short.

Dr Pascal: One of the things they have to do this afternoon is ensure that the provincial standards for language in the same grades, that is, 3, 6 and 9, flowing from The Common Curriculum are released for consultation by the end of February, not March as I mentioned in my earlier remarks. Thank you for letting me correct the record.

The Vice-Chair: Certainly, also, if we know by the end of today whether we're going to need your curriculum people back in the morning, we'll let you know at that stage, too, so you can perhaps do a little bit more planning.

Mr Callahan: I'm going to zero in on what might be considered to be a very narrow area of exceptional students. I'm going to deal with young people with learning disabilities. It seems to me that people who have visible disabilities, those who are challenged physically or mentally, are very observable to the system and are one group. The group that's not observable is young people with learning disabilities. I think it's become more and more clear that for some reason, whether it's a different approach to life or the problems of growing up or whatever, we're suddenly seeing a very extensive number of young people who are being identified as people who have what I call an invisible disability.

This has caused me serious concern, not just with reference to the educational system but also with the recent employment equity bill that was passed, which entitles those people to special treatment. But they won't get it unless they're identified as being learning disabled because, as you know, the employment equity bill is a self-identifying process whereby a person has to say, "I'm learning disabled; therefore I'm entitled to a job under that bill."

Of course, the other concern I have—and this is background I'm laying for you because they are some of the concerns that I think are real roadblocks to young people who have learning disabilities. It's my understanding that OHIP is prepared to fund psychiatrists—I made a comment in camera which I will not make in public—but it's not prepared to fully fund or provide immediate assistance to families to have their children properly diagnosed if some problem is observed by either the teacher, the parent, or whatever. I think that's a time bomb that's ticking; a real time bomb that's ticking.

I've seen it in the courts. I've seen in the young offender courts where you can clearly identify a kid as being learning disabled. That's why the kid is in trouble. There's no way to identify that. The kid has not been identified in the schools for some reason, whatever reason; I don't know why. I've often, in fact, asked judges to make orders that they be assessed and have the crown pay for it. I don't think that should be necessary. I think there should be a very clear effort on the part of our society to put up no roadblocks whatsoever to have

young people identified if they should happen to have what I call the invisible disability, because the net result of it, I suggest to you, is like, as the mechanic says, "You can pay me now or pay me later."

If you don't provide the funding and you don't provide the free access and the availability to that type of identification, then in fact what's happening is you're going to pay for it in spades down the line, either in the correctional system or the welfare system or a whole host of other disadvantaged situations.

I know the answer that I will probably get, because I get it from my friends when I bring this up. They say: "Well, the school boards have all of the facilities and the tools to be able to have a child identified through the school system. They probably have a psychologist on either staff or on retainer." But that's not dealing with the kids who in the main, perhaps, are dropouts. Maybe the reason they're dropouts is because they get to grade 7 or 8 and they become so disenchanted—they don't know what's wrong with them. I've talked to lots of these kids. They don't know what's wrong with them. They think they're just bad kids.

1110

I would suggest that if proper identification was made, you'd probably find the reason a lot of these kids drop out is because they think they're stupid. The teachers think that they're cutups or discipline problems. We all know that can be a clear identification of some young person who has an attention deficit and therefore is not able to study, is not able to deal with matters in the regular classroom.

I guess my first question is to you, Dr Pascal. Back in June or earlier, the government of the day—and this is not a partisan crack at all; I would've said it if it was the Liberals or the Conservatives trying to do it—was going to eliminate section 35, which, as you know, is the section dealing with the hard-to-serve. I went over and talked to the minister of the day, who was Mr Silipo, and I pleaded with him not to eliminate it because in fact it provided a safety valve for those young people who couldn't be served within the system. His explanation to me was that it also provided the school boards with an easy out to get rid of these kids if they couldn't provide the service themselves. I believe he said that as the province has to pick up the entire tab for it, they wanted to bring something else in.

I suggested to Mr Silipo that his concerns were really farfetched because in my region I think there were maybe only one or two over all the period of this legislation who were ever identified as hard to serve and that moneys were paid out for them to go to another institution. I suggested to him that perhaps what he might want to do is share the cost; make it part paid by the trustees and part by the province.

But I want to know, is section 35 still to be scrapped?

Dr Pascal: It has been.

Mr Callahan: It has been. All right. Well, that's the reason I brought in Bill 15, which is a private member's bill. I brought that in specifically for that reason, because I think that it's a very foolish thing to do. It seems to me, from my discussions with Mr Silipo, that it's only being done for economic reasons. If we're trying to save money now, we're going to pay for it, as I said, in spades down the line.

My bill was brought in in May 1993 and it was to ensure that a full range of special education placements is available to exceptional children at no cost to the child or parents. That's obviously not going to go anywhere, as most private members' bills—in fact, I wonder why we even have Thursday mornings in this place. It's like kiddie court. You bring a bill forward; you debate it; it gets passed; people in the gallery, if you've got them there, applaud, thinking this is going to become law, not knowing it's never going to see the light of day because it's up to the government to decide whose bills are called forward.

But what is being proposed then to replace this?

Dr Pascal: I certainly agree with Mr Callahan's concerns about the invisible handicap that presents itself with LD children and, quite frankly, LD adults who lived at a time where the kind of screening and early intervention that are now more prevalent in the system might not have been. There's no doubt in my mind that, while it's imperfect, the strides made since Bill 82 in the school boards in terms of dealing with early identification and early intervention have been a modest success story.

I agree that issues remain in terms of how perfect the system is and whether the kind of screening possibilities that are there are what should be in the system. The dropout rate and what we do in terms of exit activity, in terms of determining causes, is an issue that I think deserves some addressing.

But I think it's also important to note that the "hard to serve," as I indicated parenthetically during your remarks, has been removed. It's been removed not as a cost-saving measure—I don't want to get involved in discussing a conversation you may have had with a former minister or your interpretation of that conversation—but because of a perception on the part of the current government that the school boards had developed a certain level of maturity and expertise to be able to deal with most of the presenting difficulties in terms of these challenges.

The hard-to-serve requests that have come through the system from 1985 to the present are relatively small in number, which should be a modest exhibit A. In a final, preliminary answer to your question, the ministry is going to ensure that the IPRC process obviously stays in place in a more improved fashion, as per the review that Peter Ferren referred to earlier. And as part of the implementation towards a non-hard-to-serve environment, the ministry has expanded its places in the provincial schools, in particular one demonstration school, the Trillium School, for dealing with learning-disabled children where they deal with the most extreme difficulties in terms of presenting symptoms and problems. It's not a perfect situation but it's a far better world for the LD population than it would have been even 14 or 15 years ago.

Mr Ferren: During the hearings of Bill 4, the recent ones of last May and June, what we heard from the groups that presented at that time, the parent associations, concerning their fears about the elimination of section 35,

was that there was a very small number of pupils with severe learning disabilities in combination with attention deficit hyperactivity disorder who would fall through the cracks if we removed that section from the act. It was repeated by those parent groups that made the presentation that they were talking a very small number.

Then the commitment was made through those Bill 4 hearings and when Bill 4 was approved that the ministry would take some particular steps. One of those steps was that we would increase the number of pupil places at the demonstration school to accommodate pupils with severe learning disabilities in combination with ADHD. Action has taken place on that during the current year and nine additional pupils have been approved for admission. Not all of those pupils are in yet. There are about five of those pupils who have now been admitted to the school and there are four other pupils where arrangements are being made to accommodate them.

In addition to that, there was a commitment to develop a regulation that would govern the operation of the Provincial Committee on Learning Disabilities. That regulation is in the development stage at this time. The purpose of that committee would be to admit pupils to the demonstration schools and also to deal with pupils who may come through the committee but could be more adequately served in the school board jurisdictions if in fact there were some additional supports provided, and there was a commitment to provide some funding to support those pupils in their local school programs. That regulation is under development, as I said. That's those two particular initiatives.

In relation to the assessment question, I think it's a major issue. It's the issue of the portability of assessments. The problem that was identified by the interministerial committee on learning disabilities report was that the pupil may be assessed two or three times before the pupil gets to the next stage of educational endeavour. Let's assume that the pupil may be assessed very early in the early years, even before entering the regular school, that definitely the pupil has a learning disability. Obviously it's not a static thing; you have to keep reviewing it. He's assessed during his elementary and secondary school, and then the concern of the Learning Disabilities Association of Ontario is that you move from secondary to go into post-secondary at a community college or at a university level and there's a demand for another assessment when the assessment is already there.

That exists across various ministries. What was recommended from that report was that a survey of the various ministries be carried out to determine exactly what the barriers are to the portability of assessment. That survey has been released to the ministries of Health and Community and Social Services and it's not complete yet. We don't have the results yet.

1120

Mr Callahan: The thing that bothered me about the elimination of section 35 was that it was done retroactively. There were kids who were already in the system—I think it went back to 1992, if I'm not mistaken—who were simply dropped on their faces. There was provision for them, they were declared to be hard to serve, they were sent to the appropriate place for them to receive help and then were suddenly left out in the cold. I hope some of those people have been drawn in in these extra spaces that you've provided for in Trillium or any other place.

Mr Ferren: To clarify that, there were some other commitments made there. We were talking about a very small number. There are actually four pupils who have been declared hard to serve and who are in placements other than elementary or secondary schools at the present time, and there's a commitment to continue funding those pupils until the end of this current school year, in other words to June 1994.

Secondly, the ministry committed its staff to work with the parents and the school boards to bridge their transfer from their present placement to the school boards. That will take place and is taking place during this particular school year.

The other elements of Bill 4—increasing the places in the demonstration schools and providing additional funding to school boards: It's expected that will meet the needs for the additional learning-disabled pupils who would have come through the section 35 process.

Mr Callahan: You've indicated that my time is up but I'd like to have an idea of how much time—and I'm not saying this in a pejorative way—the government had in relation to what I've just had. I can't believe it's the same amount.

The Vice-Chair: Mr Callahan, I gave the government an additional five minutes mainly because the ministry's first response took 15 minutes, and much of it was background material that could have been part of a presentation, actually.

Mr Callahan: So I have five minutes more, do I?

The Vice-Chair: You've actually had three minutes more than your allowed time. I'm trying to be flexible.

Mrs Dianne Cunningham (London North): The government started. They had over 35 or 40 minutes, something like that.

The Vice-Chair: Mrs Cunningham, the government had 20 minutes total and it was supposed to have 15. There was no 30, 35 minutes.

Mr Duignan: On the same point, I know we're pursuing a very interesting line of questions on all sides here and there seems to be agreement on all sides. Maybe what we should do on the next round is just have a free-for-all in relation to questioning. If a member of this committee is on a certain line of questions and members of whichever party want to ask a question, they should be able to be free to jump in. Jumping from 15 minutes—the questioning doesn't flow at all.

I was wondering if we could go to some system like that since we basically reached agreement between all of us that this is a very important topic. I would like to jump in and follow up on a question asked by Mr Callahan but we're restricted to 15 or 20 minutes each side. Maybe we should consider a system like that.

The Vice-Chair: I'm happy to consider anything which the committee wishes to do. Generally speaking,

even on a non-partisan committee, a so-called nonpartisan committee like public accounts, it sometimes gets into difficulty if it is a free-for-all. But if members prefer to go to that, I'm trying to be flexible as far as the time and allow people to finish.

Mrs Cunningham: Why don't you let everybody have 20 or 25 minutes this morning and then this afternoon we can try a different way? That way it'll probably be split fairly evenly, wouldn't you think, if Mr Callahan goes another five minutes or so? I'm interested in this as well and I know that the others are. So give them another five or 10 minutes and then let us finish off.

The Vice-Chair: Why don't we add another five minutes to your time, we'll do the same to Mrs Cunningham and do the same—

Mrs Cunningham: Are we ending at noon?

The Vice-Chair: We're ending at noon.

Mrs Cunningham: I guess my point is, then we finish at five to 12, so the two of us will finish up before lunch. If somebody wants to jump in on something I suppose they can write their questions down, which would be good, and we can start with maybe some questions after lunch. I know that I had a couple.

The Vice-Chair: We intend to start with questions after lunch. We have three hours this afternoon, so it'll be one hour per caucus.

Mrs Cunningham: Okay, whatever. Before lunch let us split it. Give him another five or 10 minutes. I don't care, as long as—

The Vice-Chair: I think the concern about the sharing of the time is somewhat premature simply because we have—

Mrs Cunningham: We've got four days.

The Vice-Chair: —we have four days. We have three days left, and I think there will be ample opportunity to pursue questions. It's just that if I start allowing supplementaries from different caucuses, it sometimes sidetracks the member who is trying to make his or her point. So why don't we continue this way? I think this afternoon we'll probably allow more time between caucuses so that people can develop.

Mr Gary Malkowski (York East): Just at the same time, why don't we just go ahead and do it, go around, and that way we can get it done?

The Vice-Chair: I think that's an excellent suggestion. Mr Callahan, do you want to continue?

Mr Callahan: Yes, please. Thank you.

I understand what you're saying about those who are going to be allowed to continue until the end of this year, but that still doesn't solve the problem. I suggest that if a young person has been determined to be hard to serve, how does it necessarily change that decision and how are you going to provide the proper placement for them to continue after this? It's obvious that their parents perhaps can't even afford to pay for that. In any event, you've given me the answer and I'd just leave that one out there hanging.

Dr Pascal, you mentioned the IPRC referral process. I can't remember your exact words, but I gather it's going to be made easier. The experience I've had from parents, and it's even alluded to somewhere in the documentation here, is that the IPRC hearings are directly related to the number of placements that are available. That's been the history. That's been discovered in terms of the history. So it means that the perception at least for the parents—I don't know whether it's actuality—is that they get that hearing if there are placements available. If there are limited placements available, they make it difficult for you to get the hearing, and you're sort of stopped in your tracks.

Dr Pascal: That shouldn't be the case. In response to Mr Callahan's earlier question, in my reference to the IPRC process being made easier, I believe I said that as per the review that's taking place by the minister's special Advisory Council on Special Education, the IPRC process is being evaluated for improvements.

Mr Callahan: In fact, I might refer you to the auditor's report. On page 84 of the auditor's report, under "Identification, Placement and Review Committee," in the second paragraph, final paragraph, the auditor says:

"All school boards we visited had these committees. We were informed by school boards visited that in some cases, due to limited resources, the number of referrals of students to an IPRC for identification as exceptional is limited by the number of spaces available for exceptional pupils."

That to me, first of all, is unjust. Second of all, it becomes even more significant with the elimination of section 35, because you've really left them in limbo, as it were. There may be kids who, because they can't place them someplace appropriate, are going to have to stay in the system, and they're going to wind up the kids being the dropouts and the kids who may very well wind up in trouble with the law. I just point that out to you and I hope you would look at it.

The final thing is, and this will have to be very quickly, the question of correctional facilities. I know that under the act some of these moneys are supposed to be allocated to allow young people who are in trouble with the law and in correctional facilities to be assessed, to be identified. I can tell you from my experience of 30 years practising criminal law, and particularly with young people, that I've found an awful lot of them who—I guess some people would say maybe I'm a bleeding heart, but I think I can identify a kid who has a learning disability, and I've seen lots of them. Lots of them. They're classic examples. You read the pre-sentence report of these kids and they got to grade 7 or 6; 7 or 8 is usual. They started to act up. Every now and then we would get a psychological report done because I felt some problems and I brought it to the judge's attention. And we did in fact find that's what these kids were, attention deficit; not your clear dyslexia where you can see it, but attention deficit. I suspect there are lots of them out there, and we should be doing everything possible to ensure that they're identified and that they're helped.

1130

The final thing is that you might take—and I've raised this with ministers of education of my party and the

present government, and this is perhaps outside of your sphere. When young people go to university or community college and miss their year for the very reason that's symptomatic of their problem and are then told that they fall into the same category as the people who are screw-ups because they just partied too much and didn't make their year—you know that rule where you can't repeat the year more than twice or something like that? That should not be applicable to kids with a learning disability. That is most unfair.

We should be encouraging those kids with an open-door policy to keep them in school, to try to increase their confidence in themselves and ensure that they're going to come out as good, responsible citizens who are able to succeed, as opposed to kids who are going to wind up in trouble with the law, or just being people who can't make it in our society.

I don't think we have any more time for you to even answer that, but I leave it out there. I hope it gets back to the appropriate people.

The Vice-Chair: Actually, Mr Callahan, I was going to follow Mrs Cunningham's suggestion that the two caucuses split the remaining time and then this afternoon, when we start, to give the government extra time to compensate so that all three caucuses—so you would have another three minutes.

Mr Callahan: Mrs Cunningham was so good to me in terms of speaking up for my time that I'm going to allocate those three minutes to her, unless Dr Pascal would like to answer my concerns.

Mr Anthony Perruzza (Downsview): You just lost them, Dianne.

Dr Pascal: Sorry, apologies to all, in particular for my long-winded remarks to an earlier question. The question Mr Callahan raises about section 27 kids, I think there's an issue there that is worth looking into. We may have an answer; I just don't have it right now. There may be a selection bias, which I think you've called attention to, in terms of kids who may have compounded problems, and there may be a higher percentage.

What we do in terms of special intervention on the LD side in terms of diagnosis and support, I don't know whether we do anything extraordinary for section 27 kids, but I will look into it and get you an answer in the next day or so, or an appropriate time.

Mrs Cunningham: I just want to indicate my support for Mr Callahan's concern. I think it's known that we didn't support Bill 4 because I didn't feel, nor did my colleagues, that there was a system in place for many of the hard-to-serve students, and until we have a system that has the confidence of the public in place, we shouldn't be removing some of their rights within the Education Act. I still feel very strongly about that.

The only comment I can add is that there are successful programs around the world. They're tough ones and they're expensive. The reason we have to have so many of them for the older students is because we don't do a good job with the younger ones. Maybe if we did a better job with our younger students—I'm now talking about our elementary school students—and their families, which I underline, we wouldn't have the expensive problems that we have today.

In opening, I can only say to the auditor, and I said it yesterday in camera, that personally I very much appreciate the work that you have done. I think it's excellent. It's been far-reaching. I'm sure you spent many hours trying to come up with the appropriate questioning, especially as so much of it relates to program. I admire you for getting into that kind of detail.

I'm also going to congratulate the ministry that for the first time since I've been here, and that doesn't mean a hell of a lot, but I will say that I think there's a very refreshing response from the ministry around some pretty pointed observations that one could say were somewhat critical. So people working together, it'll be better for students.

I should say that I am interested in the auditor's report to this end. Where the ministry, Dr Pascal, stated today that our accountability mechanisms need strengthening, I think that, from my point of view, should take very little time. I consider it bureaucratic. I consider the fact that the legislation has been there for so long that it's a matter of just reviewing how well we've done with our monitoring and fixing it where it isn't well done, and I don't think that should take more than two weeks.

That's the way I feel about it, because I think the school boards have been in the business for a long period of time. We spend far too much time checking up on what they do and we don't spend enough time looking at the delivery at the local level and how well the students are doing. If I had any money right now and I were in charge, that's where I'd put the money. I still think it has to be monitored, so I obviously have little time for that.

What has taken the ministry so long? Why isn't it in place? It's astonishing that this should have even been uncovered by the auditor. This is the job of the ministry, and what the heck are they doing in the regional offices if somebody tells us these boards aren't being monitored correctly?

I'm only going to throw two things in here. With regard to these annual reports, all of us have concerns that the special education advisory committees, and it varies from board to board, aren't involved. To me that's a people issue, and I don't know how you fix it.

If we've got school boards where administrators are drawing up these plans and calling together the special education advisory committee, and sometimes phoning a few of them and lobbying them, they're very extensive, they're very time-consuming, and the one thing administrators don't have for parents is time. They should be walking them through it and they should be inviting parents who are critical of the system to get there and find out about it. They're not doing it, because I sat on a school board that did it and it was only as good as the administrator in charge. So that's my statement there. That's a people issue. You can sit and write, from now till doomsday, new handbooks, the whole bit, and if people don't want it to work it won't work. I feel so strongly about it.

The individual identification and review committee—I

have a child. I never did think I would have one and it wasn't until he was 14 that I had to deal with this. I can tell you that, in my case, because I was knowledgeable and because I guess I've had the opportunity to be a support for my kid, and it was hard because I was on a school board at the time. The toughest thing I ever did as a parent was to have to go through that process and have people telling you that your great hopes and expectations maybe will not happen for your child. There are ways to do it. It is intimidating and I was happy to hear that stated.

But the most important thing about that, after having gone through it for six or seven or eight years, is I'm not interested, as a parent, in the bureaucracy; I'm interested in how well my child is doing. I do appreciate being called in and being asked by the teacher in charge, and what I see is a total passing of the buck for these students. I had to pay somebody to go to school with my child so that there would be some continuity. Everybody can't do that. I went to work and gave my salary to somebody else. I'm saying this publicly because there is so little continuity. We have to change the way we deliver programs for individual children and their families. There has to be continuity. We were a very resourceful family with a lot of support in our community. I don't know how other parents do it. So it has to change.

The same old bureaucratic way of delivering programs and moving a child along the system with yet another teacher—and the teachers, a lot of them, don't have the skills. But there are skills within the system and if there aren't we'd better have them, and I'll tell you, the one thing it takes is an energetic parent. I'm saying that for the record, getting it off, I suppose, my mind to an extent, but everything I've read supports our experience as a family. That's how I feel.

The IPRCs are fine. Do it once a year, communicate ahead of time, but the day-to-day communication is the most important thing, not that committee.

This bill was put in place because school boards refused to deal with special education students. They just wrote them off. And teachers today, many of them, are not qualified nor do they want to teach special education students and I don't think you can make people that don't want to do it, do it. By the way, it doesn't help that York stops programs; if our universities aren't going to provide the education for the teachers, how the heck can they get the knowledge? So that's that.

1140

Madam Chairman, I'd like to take a different tack to my questioning, if that's all right.

I would ask the deputy, have you seen this paper, Some Contemporary Issues in Special Education? It's out of the Special Education in Ontario Schools. I thank the researcher, Anne Anderson, for bringing this to our attention. We don't all read the way we ought to because it's time-consuming, but I'm going to ask a couple of questions with regard to this. It would help if the deputy had a copy.

It's called Some Contemporary Issues in Special Education, and one of the subjects is integration mainstreaming. The research, as we read it, says that there's no answer. So for any government to move towards total integration wouldn't be correct. I'm just going to quote from this:

"Almost all educators agree that integration of exceptional students into regular classrooms is a desirable end. Where disagreement arises is just how"—I underline—"and to what extent"—I underline—"the desired end can be translated into reality."

This government, in my opinion and in the opinion of the public, is moving down the road of integration, and I'm wondering, from your point of view as an adviser to the government, their chief adviser, what would your advice be on integration, period?

Dr Pascal: Not having read the article, I have—

Mrs Cunningham: There's nothing secret. It just raises this issue.

Dr Pascal: No. Having heard the quotation, indeed there's nothing secret or nothing new about it. I would read in the record the same quotation or a paraphrasing of that quotation.

As a desired outcome, philosophically there's very little disagreement. The issue, of course, arises from the manner in which it's implemented. Governments will vary with respect to philosophically what they wish to do. Governments will vary with respect to how they take their philosophical point of view and interpret the research. The research, so to speak, in this area is very difficult and, if I might say, because of the nature of doing research in vivo—that is, in real life with real people, with all sorts of variables that you try to control—the research is by definition sloppy; not sloppy researchers, but very difficult research to come up with any conclusions that can be held up as the definitive piece of work that indicates that this method versus that method of implementation will work.

My advice would be to take a student-oriented approach, an individualized educational approach, to accept the desired outcome that everybody says has more advantages than not and to implement it in a very careful, individualized fashion. I have every expectation that this or any other government would do that; would not do anything that showed disinterest in an individual child who couldn't be well advantaged by the hopes of integration.

I accept the quotation, and our advice would be of course to always try to figure out a way that increases the probability that the greatest number of students in fact can benefit from integration, with supports from classroom assistants, mechanisms for peer teaching and innovations that we've yet to even dream of.

If you hold as a strong philosophical outcome that integration holds the greatest potential for the greatest number of children, then there will be a willingness and a way for innovating in a way that will increase the probability that most students—not all, but most students—will benefit from a process of integration. So that would characterize the kind of advice I would get.

I would also add, as I said earlier in response to an earlier question about the general area of special educa-

tion and what's happening in the system right now, that the one area of greatest weakness, I think, in governments generally in terms of public policy and implementation is that once we've made a decision, once a government has decided on a new policy direction and the programs that arise from that policy direction, we need to bring together more resources to evaluate the consequences from a very rigorous research perspective. We don't do enough implementations research. The Provincial Auditor has noted that weakness in some of the areas we're discussing today.

Mrs Cunningham: I appreciate the answer and respect it and actually agree with it. Otherwise, I think what we're saying here is that, depending on the individual child, integration is anyone's goal, because that means they can go to school in their neighbourhoods and with their friends, but there will be times that can't happen. I can only say from my experience in special education over the years and now being a parent the integration model was appropriate for some time and wasn't for others. I think where school boards are successful they've got flexibility. The teachers have a whole lot more flexibility if the bureaucracies stay out of the way, and I'm going to get on to that point.

In the same article it says, "Teacher Responsibility Versus Bureaucracy and Tradition." It's on page 32. I only mean to go from this article because these are the issues in the schools, and isn't it interesting that we do have people writing about them and they're on the public agenda? People are pleading for policymakers to take a look at their concerns. So really what this says is that "Experience has taught that no matter how extensive the support available, students with special needs invariably require something extra from the teacher."

It goes on to talk about how teachers are able or not able to give that something extra. I'm going to underline this statement, and I'm now on page 33 at the top left-hand column, "Because special education is relatively new, and because it seems to attract a disproportionate amount of legalism, and because its implementation frequently incorporates a wider range of professionals and a greater degree of administrative activity than regular education,"—and I'm underlining this piece—"the bureaucracy tends to be thicker, and often more regulatory and precise."

I think for a time in Ontario that was very necessary, because we had to get it up and going, we had to have some standards, we had to know what people's rights were, the whole bit. "The result is that teachers are often denied the autonomy to make decisions that realistically, can only be made ad hoc and onsite." Boy, I think that is one of the biggest problems. Teachers have come forward to the commission and said, "We have too much interference in our day-to-day role."

In fact, and this is the question, if we should move forward and all of the expectations should be set out by the ministry, the monitoring procedures should be there, all of that should be in place, how do we then, after all that's in place, get back to the teacher, see what it is that they really need and evaluate these programs and see that these students are successful if all of our efforts are going into setting up rules and more committees and more documents and revising handbooks? That should just be a matter-of-fact thing. The emphasis has to be on this, that teachers need time to do the job and that students should be making gains. What are you going to advise the system? How do we move forward?

Dr Pascal: This is an interesting article. I haven't been able to speed-read the entire article, but just on the same page from which Mrs Cunningham is quoting it goes on to say, "The issue is often exacerbated by the not-yet-completely-dead medical model tradition, wherein the teacher, despite his or her position on the front lines, is denied expert status and must frequently yield to decisions that are made far away from the classroom."

That runs at the heart of what Mrs Cunningham is concerned about. I don't think that we have to portray a system, although this may portray the reality for some teachers, where it's a dichotomy between having a provincial policy which has as its outcome integration for almost all students, holds it as a policy assumption that most students can benefit from integration; that this is antithetical to the involvement of teachers in understanding the assumptions behind that policy imperative and being involved in assisting the system in developing implementation plans for the policy and then on an experimental inductive basis feedback to the system what works and what doesn't work in terms of how the policy is implemented.

I think there has to be a far greater relationship between the teacher and her classroom expertise and experience and how the programs are modified as they go on in time. I accept the premise of that particular paragraph and Mrs Cunningham's line of questioning absolutely, but what we don't want to leave up to the happenstance of individual teachers or individual parents is the policy imperative as a whole. We don't want to have a system where we have lots of different interpretations that lead to a very grey interpretation of the provincial outcome and assumptions around integration that most children under certain circumstances can benefit from integration.

1150

There are parents who, regardless of what experts have to say, simply say at one level, "Yes, we understand integration hypothetically is for others but not for my child." There are usually emotional reasons for holding that particular point of view and sometimes experiential reasons, and sometimes the parent as an expert needs to have more respect. But the provincial policy, I think, can rest with a very strong commitment at the provincial level and then lots of flexibility for teachers, as long as the flexibility doesn't allow for flexibility around the importance of the policy outcome, which is integration for most students.

Mrs Cunningham: I can only say that as a mother of a first grader, I was told that one of my children should go to a contained and segregated class for two years, along with seven or eight others. I did not want to do that, but I accepted the professional advice of the team that recommended it, as all parents are subjected to. It wasn't my instinct to go along with that. I was a young

parent at the time. I can tell you right now, I am absolutely delighted that I took the advice of the experts, because they had programs in that particular school board that they had proven over a period of time worked. Special education is not new for many people. In that instance, it was the best thing because it happened to be—you're probably not surprised, the experts in the room—that eight of the nine students were little boys and there's good research on that. The habits and the one-to-one and the expertise—we followed that class because they became my son's friends and, with one exception, they all finished their secondary education and I think six of them went on to universities. I think it's because of the focused attention of a teacher and a teacher's assistant for two years of their life at age 7 and age 8. There's lots of research that says that's a good program, and where school boards are showing success, surely the ministry isn't going to say that can't happen.

Dr Pascal: No. Obviously, the experience of not only a member of the committee but also a well-informed parent with experience is more important than anything I will say in response. But I think again, sometimes there's a bit of a false dichotomy between what we call "segregated" and what we call "integrated." An outstanding classroom teacher—and we have thousands and thousands of outstanding classroom teachers in this province—with proper support in the classroom can create the kind of individualization in the context of an integrated setting that your son was afforded in something called "segregated." I think we get involved in these "it's either this or either that," and I think the results can be the same and maybe with some value added in terms of some of the social achievement dimensions that can be part of integration.

Mrs Cunningham: I think I should add that the program wasn't total segregation. That class was by themselves in the morning and was integrated into other classrooms in the afternoons for other reasons.

As we learn more about learning disabilities and young children's inability to focus and the whole new research on seizures, we know that quads don't work for those kinds of students. We know they have to have very quiet environments. These children are being found every day in our classrooms and they're being ignored by educators. There is no way children with those kinds of specific learning disabilities, as opposed to learning problems, disabilities, that are so carefully diagnosed by the experts right now, can be dealt with in any kind of an integrated setting for a period of time. Somebody has to take the time and find out how they best learn, and there's lots going on.

I would just like to close by saying that in this same article it talks about the frustration around teachers not having the firsthand opportunity to communicate directly with assessors. It's another problem we have in this profession that's so important to the success of our young people and our country. I think Noel said yesterday that he had a frustration in this regard too on the assessments.

By the way, this happens to be what we picked up today. This is written every week of every month of every year, and has been. None of this is new. It happens to be Ontario and that's why I'm quoting from it.

Why is it that in school boards we still find that people who are doing the assessing are not talking to the teachers and the parents in spite of the system that's been set up? Why? How could that possibly happen in some school boards? By the way, I don't just get London issues; I get all of southwestern Ontario's, for reasons I won't go into today. We get it, and when we trace it back, pick up the phone, call the principal, stay out of it, because that's not our job, but get people talking, we find the professionals are not taking the time to talk to each other. Some teachers are denied the opportunity to talk to the psychologists, in spite of the system that's been set up. How could this be happening?

No wonder the auditor said we need some monitoring, but how are you going to find that through monitoring unless you take a look at the individual child? My only recommendation to you would be to take a look at that program for individual children, forget the rest and see if it's being followed. How can this happen?

Dr Pascal: The short answer is I don't know. If it does reflect not just Mrs Cunningham's experience but those with whom she stays in close contact, I would be personally quite concerned with the fact that it doesn't happen, not only the professionals who are non-classroom professionals and their relationship to teachers, which is absolutely in my mind essential in terms of developing the individualized plans to which I spoke. If that isn't happening, then what I said earlier is a dream rather than something that has to be part of the reality. So that would surprise me and be a cause for a lot of dismay.

Mrs Cunningham, you also point out there are concerns out there with respect to the relationship between those teachers and assessment experts who do come up with a plan, and giving that information back to parents. That's also a concern. The article that talks about the disempowerment that comes from classroom teachers and how they feel about those of us for example in the ministry, many kilometres or many thousands of kilometres away from their classrooms, also holds at another level for the manner in which parents have been kept in the dark by jargon, some of which I reinforce more often than I should from this chair.

Mrs Cunningham: You don't do that.

Dr Pascal: That also is a very serious issue, which is why of course the Ontario Parent Council set up by Mr Cooke is extremely important. The short answer is that if it is extant, as you've described it, it's a serious problem and we're going to have to figure out a way to be far more tough-minded and be seen to be tough-minded about closing that loop. Again, I will be shocked if it's common practice.

Mrs Cunningham: Just take a look, in the article, at "The Gap Between Assessment and Program." When I read it, I thought I only knew of one or two cases, but in listening to my colleagues, it's a common complaint.

The Vice-Chair: The auditor has a brief comment in reference to your question.

Mr Peters: Just a brief comment on the word "accountability." The way we're using it is not in terms

of necessarily the processes. We are focusing on outcomes and we did focus on outcomes. That was the intent. The intent was really what is learned and what is happening in the classroom. It's the accountability for what is happening there. As a result of our own work and the interviews we had at the school boards, that is what we mean, to improve accountability. Unfortunately, that's one area where I potentially disagree with you. Once we focus on accountability in those terms, as to outcomes, I don't think it can be fixed in two weeks. There are many good points that you have made, but we have found out that it takes an awful lot of people to cooperate and it's a people issue that has to be turned around, it has to be turned around fast, but it will take more than two weeks.

1200

Mrs Cunningham: The two-week comment wasn't with regard to the outcomes at all. The two-week comment was geared more to what the ministry was telling us it has to do in some monitoring, documentation work, which I think it's probably well into anyway. But maybe you could clarify that, not outcomes.

Dr Pascal: No. My notes in terms of marching orders that arise from this kind of dialogue have, under the issue of accountability, closing the loop in terms of the directions we give to boards as a result of their plans and finding out whether in fact those plans are in the process of being implemented with those adjustments. That's the vulnerable area that Mr Peters and his colleagues pointed out and that's the reference that I thought Mrs Cunningham was making.

I agree with her that two weeks may be a bit rushed—

Mrs Cunningham: I was exaggerating a bit.

Dr Pascal: —but I agree with her that the kind of action that we can bring to bear on that particular issue—

Mrs Cunningham: Is fast.

Dr Pascal: —is faster than some of the other areas.

Mr Peters: If I may just follow up, we are just in awe, and you, Dr Pascal, have agreed with us that while that is part of the process, the ultimate is still the focus on the outcomes, by everybody.

The Vice-Chair: Just before we adjourn for lunch, Mr Duignan has a request for information.

Mr Duignan: Would you be able to supply the committee with information in regard to what boards favour that exceptional students and special education be segregated from the main school body? What school boards integrate them and what school boards do a mixture of both? Do you have any information of which is the best system? Because I notice that you are encouraging greater integration of exceptional pupils into regular classrooms. I wonder why you reached that conclusion. Is there some information that that's the best system to go with?

Some $1.3 billion is spent on special education costs in any one school year. Do you have a breakdown on how that money is spent, for example, administration versus actually that money getting into the classroom and being spent on that pupil?

The Vice-Chair: Whatever information you can provide would be appreciated, Dr Pascal.

Dr Pascal: Just a clarifying question: Are you referring to the compensatory or the total amount of money?

Mr Duignan: I want the breakdown of what that money is spent on, and how much is spent on the administration versus how much money is actually spent on that pupil in the classroom.

Dr Pascal: The short answer to the last question is no. That's part of the issue of transparency or lack thereof in terms of education finance reform. It's built into the formula.

Mr Duignan: What you're saying is that you've no way of knowing that in fact $1.3 billion is actually spent on special education. You've no way of telling.

Mr Jim Doris: I am Jim Doris, education finance reform. The Provincial Auditor is quoting $1.3 billion as being spent. This raises the question of, what do we count as an expenditure in special education? Basically, we do know that $14.3 billion is being spent. We do know that most of this is going in salaries and benefits. In other words, total compensation makes up over 80% of that $14.3 billion. We do know that most of it is going to the classroom.

If you're asking the question, though, "Out of the $1.3 billion, explain to us how much of that was teachers and how much was teachers' aides and how much was paraprofessionals of different varieties," we really don't have a good handle on that. We can talk about these general categories and say that it is labour intensive. We can tell you how many interpreters there are out there in Ontario. We can give you gross numbers like this, but it's very difficult for us, under the current funding approach that we have in Ontario, to be quite accurate about how much is actually being spent on any one particular program.

The Vice-Chair: Perhaps that's something we can explore when we come back this afternoon, Mr Duignan.

Mr Duignan: Unfortunately, I won't be here this afternoon, but I certainly will explore it a little further tomorrow.

The Vice-Chair: Maybe tomorrow morning, then.

Mr Duignan: Because it appears to me there's absolutely no accountability of that $1.3 billion. There's no accountability in the system that this money is actually spent on special education. You just admitted that.

Mr Doris: We know what the province is spending on special education. We know that school boards are spending more because, remember, of the $14 billion, $8 billion of that is coming from the property tax raised at the local level and $6 billion is coming from the consolidated revenue fund. As a staff person, I'm convinced that the money we say is going on special ed is going on special ed, but if you ask, "Well, prove in what areas it's going or break this down as to categories," that unfortunately at the moment we're not able to do. Education finance reform does intend address the very question, though, that you are raising.

The Vice-Chair: The auditor will have the last word, a very brief one just before we adjourn.

Mr Callahan: He always has the last word.

The Vice-Chair: He has the only word.

Mr Peters: That's not why it's done. It is just to help out a little bit on the resource as to how we provided this number and to be helpful. We provided it actually by taking the school boards' financial statements and adding up what the school boards had said they were spending on special education. That's how this number was developed and we are adding a little bit of fringe benefit there too into the formula. That's where we came from.

But as we pointed out before, we do not have the right to audit school boards, so we took all the numbers at face value as they reported them.

The Vice-Chair: Thank you. The standing committee on public accounts stands adjourned until 2 o'clock.

The committee recessed from 1206 to 1407.

The Acting Chair (Mr Robert V. Callahan): I declare the afternoon meeting in session. As you may recall, we left this morning with the government asking questions, and we're going to go in 25-minute rotations: 25 minutes for the government, 25 minutes for the official opposition, 25 minutes for the PCs. I have Mr Malkowski, Ms Akande and Ms Haeck.

Mr Malkowski: Charles Pascal presented this morning, and I really appreciate the information presented. There seemed to be a recognition of the difficulties that arose from the Provincial Auditor's report. It identified some areas where we can be more efficient with information and more cost-effective in what we do. The information was very straightforward. We recognize that the Ministry of Education and Training has just gone through a restructuring process and that there is the Royal Commission on Learning that is taking responsibility for the accountability issue. I think that shows that the ministry is on the right track.

I'd like to share a little of my own experience. I used to work as a vocational rehab counsellor, and a lot of my constituents are parents who have disabled children, but also disabled consumers and others within the special education field have talked to me about a huge concern they have: assessment quality and support services. That's one issue identified. Another issue is the IPRC process. These two I think are of the greatest concern. What they're concerned about is cost-effectiveness and also how that impacts on the quality of education that's delivered to the children.

I have two questions I'd like to ask. Is there any thought being given at the ministry to development of a mechanism whereby disabled consumers as a group, who have already gone through the educational system and already been through the special education experiences, can be involved in developing guidelines? When you talk about stakeholders, I think you're missing that group; you talk about parents and professionals. I'm just wondering if they could be included, because they could have valuable input into special education teacher training. For example, in terms of education for the deaf and hard-of-hearing or for the blind or for the developmentally delayed, there are experts in different fields who could help the boards develop curriculum that could help identify needs that are necessary in that field.

In terms of the ministry and the school boards, I'm wondering if there's any kind of mechanism for statistical data collection specifically for disabled students who need support services; there may be other disabled students who do not need support services. This information would help the ministry be more effective, because they would use this information, plus the recommendations from the Provincial Auditor, to monitor the system and monitor the whole field of special education.

Dr Pascal: First of all, on the issue of involvement of stakeholders who can in an autobiographical way understand the issues at play, I agree entirely with Mr Malkowski that more and more challenged individuals in the special-needs areas need to be involved in developing provincial policy.

To the best of my knowledge, in my limited experience since I've been in the ministry, individuals with special challenges do sit on the minister's advisory committee on special education. As a matter of fact, I believe the vice-principal of the E.C. Drury school is on that committee, and she is deaf.

With respect to the special education advisory committees at the board level, I'll need some help from my colleagues in terms of tapping their experience. I know there are individuals representing advocacy groups on those SEACs. Whether or not they ensure that there's the kind of representation Mr Malkowski has indicated, I do not know. I want to yield to Peter Ferren to see if at that level there's that kind of involvement.

Mr Ferren: Generally, the composition of the special education advisory committees at the school board level consists of representatives of the parent associations, who usually are what we class as advocates for people with disabilities rather than consumers.

Dr Pascal: With respect to the second question, which has to do with the development and analysis of statistics—that is, different children with different presenting needs and what's happening to those children—the short answer is that those type of data are, I believe, supposed to be imbedded in the annual reports that are submitted to the ministry. Again, at question here is what happens as a result of those reports in terms of the accountability issues we discussed this morning. But again I'll ask Peter to add to what I've said.

Mr Ferren: If I understand Charles correctly, and I hope I'm addressing the issue here, we don't collect data on the basis of specific disabilities but rather on categories of exceptionalities, and that would be under the behavioural classification, communication, pupils with physical disabilities and multiple disabilities.

Dr Pascal: I do have a table which appears to be a sample summary of the kind of data that are part of the annual reports; I can show Mr Malkowski this and table this as an example. The question I can't answer and that I think is at the heart of Mr Malkowski's question is, what do we do with these data once we collect them? I think that probably is an issue in terms of how we feed it back to the system and how we act on some of the information we gather.

Mr Malkowski: As a supplementary, it seems that the ministry doesn't have a system for collecting specific information on students with disabilities who require support services; those who need the support services, because there are disabled students who do not require support services. The statistical numbers seem to overestimate the need for support services. What we really need are accurate numbers for those who require the support and then know those who need it and those who don't.

Mr Ferren: Collected in statistical data, in addition to the information I already mentioned, we have through the September reports submitted annually by school boards the list of the various types of professional staff available to support the needs of exceptional pupils. But we do not collect it in the manner Mr Malkowski requested. We could take that under advisement.

Ms Zanana L. Akande (St Andrew-St Patrick): Thank you for the opportunity to ask these questions; there are so many of them. Let me say first of all that while we're focusing on special education, there seems to be and continues to be a feeling, almost an assumption, that if we consult enough and do enough studies and have enough committees that form partnerships with other groups and consortia, that inherently will solve the problem. Let me say that my experience in education has not proven that to be true, because the critical link is between what happens at the ministry and what filters down through the region to the boards and therefore affects the child. So my questions will be focused on what happens or does not happen at the school level.

You mentioned earlier the fact that there were boards where assessment for students who had special difficulties, special-ed students, was different from other boards', that the assessment protocols, the things included within the assessment for the IPRC, were dissimilar. I'm interested in that and wondering if the ministry's original recommendations about what that assessment should include no longer prevail. When I say "original," I mean that when Bill 82 was introduced there were recommendations about what the assessment protocol for the identification of IPRC students should include. Does that no longer stand?

1420

Dr Pascal: Let me ask Peter to respond to the second part of the question. I must say, I don't recall any member from the ministry staff indicating that the criteria varied on IPRC process from school board to school board, but Peter I think can deal with the second part.

Ms Akande: It had been suggested by Mrs Cunningham and it was not corrected or denied or responded to by the ministry.

Dr Pascal: What I recall Mrs Cunningham raising quite explicitly and importantly was the issue of assessments results and the results of those assessments being made available to classroom teachers for the purposes of developing individualized programs.

Ms Akande: And teachers being omitted from the gathering of information towards that assessment.

Dr Pascal: That's right, and as I said, if that is in fact extant within the system in any major way, that's a serious problem, as is the issue that information gathered by the assessment people, even when it is shared with teachers, is not being shared with parents. Again, if that's a problem out there in any major amount in terms of frequency, that's a problem, but the issue you raised had to do, I thought, with inconsistency in terms of the IPRC process.

Ms Akande: Inconsistency in terms of the recommendation of what is included as a part of the assessment for the IPRC.

The Chair: Mr Malkowski had a short supplementary.

Ms Akande: In the middle of my question, Mr Chair?

The Chair: I thought there was a pause there.

Ms Akande: No, there wasn't.

Mr Malkowski: Put my name on the list.

The Chair: Sorry; please continue.

Mr Ferren: What is required for the assessment of the child through regulation 305, the identification, placement and review committees and appeal process, is that the IPRC is required to consider an educational assessment of the child, and if that committee determines that a psychological and/or medical assessment is necessary to help the committee identify the child as exceptional or not, then parental consent must be provided for that. That has not changed since regulation 305 was passed.

Ms Akande: There was also a recommendation made about what that educational assessment should include. It was very specific. It said it should include discussion with the parent, it should include discussion with the regular classroom teacher, it should include an assessment in the basic areas of language and mathematics to determine a grade point, and it should include a discussion with medical services or, if not, a public health nurse or anyone in a health-related way who had had some general information or contact with the child. That was the educational assessment part and it had specific recommendations. They were only recommendations. Have they been removed or are they ignored or what?

Mr Ferren: No, they are still in force, and I'll go back and repeat what the deputy said in relation to the consultation between the professionals and the parent and the teacher, that if that doesn't happen, certainly it's unfortunate, because it should happen.

Ms Akande: If it should happen and the ministry still recommends it, is there some consideration given to the ministry making it mandatory and therefore providing an opportunity for the regional offices to monitor whether boards were doing it?

Mr Ferren: My suggestion would be that we take that recommendation under advisement and that it be considered in the review of the IPRC process that the advisory council is currently in the process of undertaking, and that it also could be incorporated into the revision to the IPRC monograph. The special education advisory council has just reviewed that monograph; they just completed that review and it's just going out for a brief consultation right now, so that could be taken under advisement.

Ms Akande: One of the things that is part of Mr Weber's material, but is discussion that has been repeated in many, many articles, is the consideration of how assessment is done when we are looking at poor and/or culturally different children to ensure that the results achieved are a response to the pupils having a special education need rather than a response to their cultural differentness, their language difficulties, their impoverished experiences. What, if anything, is the ministry considering as a recommendation to make some kind of difference, and standard difference, in terms of what schools and boards must respond to relative to that problem?

Dr Pascal: To the best of my knowledge, I'm not sure we are doing anything that conforms to the intent of Mrs Akande's question.

Ms Akande: Are you intending to?

Dr Pascal: The way you framed the question is quite appropriate and we should evaluate the possibility. At the moment you asked the question, the answer was no. At the conclusion of your question, the answer is probably.

Ms Akande: Would it then be appropriate for this committee to make a recommendation or a suggestion—something greater than a suggestion—about the inclusion of something which would influence that kind of assessment?

The Chair: We have a tendency on this committee to make a number of recommendations about whatever we're looking at. But of course, at the end of the day, when we write a report, if the committee decides to do that, we can make any number of recommendations.

Ms Akande: May I ask at least one more?

The Chair: I have Ms Haeck on the list.

Ms Akande: We do have time.

The Chair: Not really. We have five minutes.

Ms Haeck: I'll give my time to Mrs Akande at this point, if you want to put me on for a later time.

Ms Akande: Okay. I wanted to ask about compensatory education. It was certainly something that was addressed in the auditor's report; it's something you've included here. Compensatory education is those kinds of grants which are given for the very students I was talking about. Boards identify the need on the basis of criteria: you know, the amount of government housing, single-parent families, all those things we associate—sometimes wrongly, but nevertheless we associate—with poverty.

Recognizing that those grants are given in relation to those identified needs for "poor" children, if I can use that basic terminology, or for areas where that is identified as a need, has the ministry planned or intended in some way to ensure that the grants achieved through the identification of that need are used in the schools that have identified the problem?

Dr Pascal: This is another good question and a good example of the issue of accountability and transparency in terms of the money that goes into the system and what it's spent for, what issues and specifics are related to each expenditure. I'll ask Jim Doris, who's the team leader on education finance reform, to answer the question.

Mr James Doris: At the moment, the province contributes about $90 million a year to roughly half the boards in the province—in other words, you have to be above the median in these four categories Ms Akande has mentioned—recognizing the boards, especially the boards here in Metro because over half of the money really is going here in Metro, that have extra costs because of the poverty situation. In other words, the boards are identified in terms of communities with public housing, for example, income under $10,000 etc.

1430

Under education finance reform, first of all we're identifying whether these are the right variables, because I think a case can be made that we should be changing our variables; and second, to address the question you have raised, that how do we make sure the money, the $90 million or whatever figure it turns out to be, is in fact going to those schools? The money here in Metro certainly is going, because money that goes to the Metro board has a very elaborate formula, through Dr Ted Harvey, and we have worked with Dr Harvey ourselves, to allocate money to individual schools in the Metro system.

Ms Akande: Who will and how will you decide on the variables?

Mr Doris: There are different options, and it will go to cabinet.

Ms Akande: Who's going to decide?

Mr Doris: I'm assuming that in the end cabinet would decide.

Mr Tim Murphy (St George-St David): So you might have some influence.

Ms Dianne Poole (Eglinton): I have a number of questions for the ministry. I'd like to start out with some time frames.

This morning we talked about the auditor's recommendation concerning guidelines for programs and services. There was an indication that work on this had begun and an initial meeting had been held and that the group would be meeting once a month until some guidelines were developed. There doesn't seem to me to be any great urgency about developing these guidelines if they're just meeting once a month. Could you perhaps refresh my memory? Has the ministry has been working on guidelines in the past and this is simply putting things together in a cohesive manner, or when do you expect to have these guidelines developed?

Mr Ferren: First of all, we do not have guidelines for the delivery of those programs and services, as the auditor's report has pointed out, and we have not spent previous time developing them. It is true, yes, we are just in the initial stages of that and I'm not sure of the time it will take, but we're probably talking in terms of a year, by the end of the year, when we take into consideration that when you do draft guidelines, there will be opportunities for the various partners to be consulted and provide their reaction to them.

Ms Poole: When you estimate a year to develop the guidelines, I'm assuming that wouldn't include the communication out to all of the boards of education and

to the SEACs, to the various advocacy groups about the guideline changes,so that they're all informed. That would have to take place after the ministry has reached that final decision. So would we be looking at closer to a year and a half or even longer by the time these guidelines are actually being implemented?

Mr Ferren: I'll refer back to my previous comments. I'm really not sure of the time line. I estimated that by the end of the year we should be in a position to complete the process. It might take longer than that.

Ms Poole: Would it be your intention that once these guidelines are developed, regional office staff would monitor the programs and services provided by school boards?

Mr Ferren: That is one of the elements that we would anticipate.

Ms Poole: Which I think is a bureaucratic way of saying yes?

Mr Ferren: Yes.

Ms Poole: Thank you. You mentioned that you were going to be consulting as you formulate these guidelines. Could you tell us the composition of this committee? Does it include various interest groups or is it an internal ministry committee at this stage?

Mr Ferren: At this stage it is an internal committee of the Ministry of Education and Training.

Ms Poole: I'd like to go on to one other time frame, and that relates to the hard-to-serve category, which, as Dr Pascal said, was removed via Bill 4. You mentioned that you had regulations under development in this regard. It's been some months since Bill 4 passed.

Mr Ferren: The end of July.

Ms Poole: Yes. I remember sitting at that time. How long do you think it will take you to complete the development of the regulations?

Mr Ferren: My understanding at this stage is that the regulation is likely to be drafted by the end of February. When that regulation goes out for consultation, we can anticipate a minimum of four months. That is what the teacher federations, the school boards and the different associations usually ask the ministry for when a consultation document is sent out. By the end of the current school year or close to the end of the school year, we should be in a position to finalize that regulation.

Ms Poole: But my understanding from what you mentioned earlier is that you are actually dealing with the problem now in the interim, even without the regulation in place; that you are placing children now.

Mr Ferren: That is right. We're dealing with it now through the existing Provincial Committee on Learning Disabilities. That was the vehicle through which we dealt with the admission of the nine additional pupils to the demonstration school.

Ms Poole: The other area I'd like to touch on which was developed this morning is the whole topic of integration. I think we had quite a full discussion of how disparate the views are of those who favour full integration of every single child in the school system and those who believe it should be a partial system, where in many cases it's possible to integrate the child but in some cases there are valid reasons not to.

Dr Pascal used the words that integration was desirable and was effective with proper help in the classroom. I think the last phrase "with proper help in the classroom" was the key point to which I'd like to refer.

My concern is that the dollars are shrinking, not only with the social contract and the expenditure control plan but generally with boards of education trying to reduce expenditures. There may well be future pressures on the system that are even worse than we're experiencing today. I'm concerned about going to a full integration policy if the resources are not there in the classroom to make sure that the child's needs are being met. Have you looked at this whole area of resources and come up with any minimum standards of what is required if you are going to have this kind of integration in the classroom?

Dr Pascal: The possibilities are many with respect to what kind of support systems should be in place. One of the criticisms by the Provincial Auditor, and I accept the criticism, is that we haven't done enough best-practice evaluation in terms of the possibilities. There is no doubt that what Ms Poole has said about the resource issue is very much at play. Fourteen billion dollars is a lot of money in terms of public expenditure. It's among the highest in any jurisdiction in North America in terms of money into the system. In order to redress the challenges we're discussing today, we're obviously looking at reinvestment, taking the dollars we have right now and ensuring that most of the money goes into the classroom.

The different ways in which students can be assisted, not just through specialized resources but by peer involvement, are manyfold. Again, we need to be creative and innovative, celebrate those successes that are out there in the province and increase the probability that more of it happens.

It is going to be a challenge to do this within the economic envelope we have, with the fiscal pressures we face, but the solution is to be found in reinvestment of the dollars that are in the system.

1440

I want to call attention to this, without reading it and take up the time for members' questions and comments. I remain grateful to Mrs Cunningham for the homework she assigned me during lunch, which I'll complete overnight, and that's Ken Weber's Special Education in Ontario Schools. I don't know how much of this was made available to the committee, but from page 128 for about 10 pages, there is a compendium of ideas around practical elements of successful integration. It talks about the research in support of integration and all the social achievement benefits to be found from integration. It also talks about what needs to happen in terms of cost-effective innovations to provide successful experimentation. It also talks about what's necessary for those kids for whom full integration is simply not going to be appropriate. So I commend to you other parts of this book if in fact you only received one of its chapters or articles.

Ms Poole: Mr Chair, could we ask research to provide us with a copy of those pages to which Dr Pascal refers?

The Chair: Certainly.

Mr Callahan: I'd like to deal specifically with Correctional Services, because I understand there's a component of financial assistance for young people or not-so-young people who perhaps have a learning disability that might or might not be identified. We understand there are funds made available to school boards for assistance to people who are learning-disabled and also that part of those funds are available for corrections. First, how is the amount determined for each school board? Is it based on population, per capita?

Dr Pascal: Yes.

Mr Callahan: Is there any set formula for how much of that money is available as an envelope for assistance for people in correctional facilities?

Dr Pascal: I'll ask Jim Doris to respond.

Mr Doris: Section 27 is a euphemism for a situation where a school board provides an education program in a psychiatric facility, a correctional institution, Sick Children's Hospital. Basically, the board provides the teacher and the province pays. It's 100% salary and we pay, on top of that, $2,500 for administrative overhead the board would have for equipment for the student, that kind of thing. On top of that, we pay 100% for teachers' aides.

Mr Callahan: Is there a component in this as well for the assessment of these people to determine whether they have a learning disability, or is that done through another ministry?

Mr Doris: I'm not able to answer that question on the assessment.

Mr Callahan: I know from experience that in school boards they have either on staff or on a contract basis a psychologist who will assess young people if it's brought to their attention by the teacher or by the parent or whatever. If corrections does nothing more than get a seconded teacher to come to the correctional facility, how do you identify those people as having that problem?

I maintain, and I know this is perhaps naïve, that if it were possible to assess those people coming into the correctional milieu who could be identified, I guess visually, as having a problem, or perhaps through reports from a probation officer or from the judge, if those people could be assessed, I suspect you might very well find that the money you spend on having them come back as recidivists would be saved. That's on the dollar side. On the other side, the human side, these people really are being trashed as a result of not having that type of system in place.

Dr Pascal: With respect to the care and treatment side of things, it's an IPRC process in terms of assessment.

With respect to corrections, I don't know the answer. As part of our discussion this morning with Mr Callahan, I indicated that I would find out what's at play when we have people of various ages, young offenders, who come into a section 27 classroom. I haven't read as much research as I should have since I came into government a number of years ago, but I'm sure I've read in the past a couple of studies that talk about the correlation among and between individuals who are committing certain offences and have learning disabilities. Your intuition I think is probably grounded in more than a couple of research studies.

Regardless, I need to find out to give you a more complete answer about what we do with individuals who come in and out of section 27 classes in a very transient fashion. They're not there very long. That's one of the issues at play. But I can't give you the kind of answer you deserve and would be pleased to do so tomorrow morning at the very latest.

Mr Callahan: Fine.

Mr Murphy: Maybe I'll follow up on Mr Callahan's point, and as you're doing some research, I'll add to it. Mine's more related to the compliance issue and follow-up and checking. To a certain degree, the absence of an answer to the questions Mr Callahan posed probably suggests a gap, although it may not exist; I don't know. But there is a question, I suppose.

The province funds through a teacher seconded by the school board to the facility. I'm just wondering how the payment works. Do you get a report back from the school or do you get a request for payment? How does that work?

Mr Doris: Basically, there's a written agreement between the school board and the institution we're talking about. That written agreement goes to the regional office so that the ministry ends up having to "approve" the program that is to be funded.

Mr Murphy: Does the regional office have any procedures to test the quality of the service to ensure that it's adequate, that it's appropriate?

Mr Doris: I'm not in a good position, quite frankly, to answer the question, but I believe the approval process obviously insists that the board demonstrate that the teacher has proper qualifications etc.

Mr Murphy: That would certainly be our hope. Is there someone there who—

Mr Doris: If you're asking whether the regional office does an onsite visit, I think it doesn't happen very often, but it does happen on a three-year schedule or something like that.

Dr Pascal: Madam Chair, someone from our regional office may be able to shed light on the regional office involvement: Mariette Carrier-Fraser, assistant deputy minister.

Mrs Mariette Carrier-Fraser: As far as section 27s and regional office involvement is concerned, it depends on the regions and the needs of the boards we work with etc. For instance, dealing with the region I came from in northern Ontario, the northeastern regional office in North Bay, any section 27 that involved Community and Social Services—because Education would finance the educational side of things, such as the teacher's salary—if it was for care and treatment, unless there was an agreement by Community and Social Services to provide the support services and we agreed on a certain percentage, the percentage of time was negotiated between the board, the regional office and Community and Social Services or the agency. That would be the type of approach, and then approval would be given for funding to flow for a section

27 type of thing. Those were some of the arrangements that were made in some of the specific offices in the north.

Mr Murphy: That's an umbrella agreement and then you fund on an as-needed basis under the umbrella agreement?

Mrs Carrier-Fraser: Yes, based on needs, and a needs analysis is done. I know for a fact, for instance in the northeastern office and in some of the other regional offices also, a site visit was done last year to all the sites that had section 27s to ensure that services were provided etc. Ron has had experience in other—

Mr Murphy: How often was the site visit?

Mrs Carrier-Fraser: It depends on the needs and the number of sections you might have. I know for that specific region that all sites were visited last year before funding was granted for the following year.

1450

Mr Murphy: Is that because you were the regional director, or is that the policy for all regions?

Mrs Carrier-Fraser: No.

Mr Murphy: Well, I worked with Mariette many years ago, so I know how good she is.

The Vice-Chair: Was there an additional response?

Mr Ron Mason: I was just going to comment on the central region, where the vast majority of section 27 programs are. I would make a distinction between a site visit and a formal monitoring or auditing of the program. What we have done in our regional office is to identify, at the time of renewals or new agreements, those programs that will require a formal audit. That's a much more thorough look at what's being delivered. The others are visits to really take a look and see that what they said in their agreement is in fact happening. So there are two levels.

Mr Murphy: Sort of the difference between a drive-by inspection and a—

Mr Mason: That's right.

Dr Pascal: Madam Chair, that was Ron Mason.

The Vice-Chair: Thank you for the belated identification. We'll now go to the Conservative caucus.

Mrs Cunningham: Mr Mason just uttered an interesting word. I think he said "audit," so the fact is that there are program audits done in section 27 schools. Good.

I'm moving on to three questions, all directly related to the auditor's findings and the responses of the ministry. The first question I have for the deputy is in relation to the special education advisory committees. The auditor pointed out to us in his observations that some of the committees varied in their extent of involvement and awareness.

The Provincial Auditor recommended that to ensure that all the special education advisory committees serve the role intended, the ministry should determine best practices for SEACs and ensure that these are communicated to school boards and SEAC members. If these correspond to the guidance provided by the provincial parents' association handbook for members of special education advisory committees, the ministry should consider overseeing the distribution of the handbook to boards and SEACs.

When I think, in today's world, of the real challenges in our schools and the necessity for programs that assist these young people to become useful and meaningful and proud members of our society, I have to tell you that if we can't get a book to a member of a committee without the ministry getting involved, just by distributing to school boards where we're spending billions of dollars on education, we have real problems.

Quite frankly, I thought the response from the ministry was very weak. I would have been so apologetic to think that there are school boards that have SEAC committees where they have not got their handbooks. It just blows my mind. I can't believe it. Maybe you could let us know that things aren't all that bad, or maybe that they're worse than they sound. I have no idea. We dealt with this five years ago.

Dr Pascal: If I may, for better or for worse, Hansard will record this as a statement and I will record it in my diary tomorrow morning as a confession. In reviewing for about the 15th time the auditor's reports and, along with Mr Peters and his colleagues' reports, the ministry's response, I will confess to Mrs Cunningham that no entry under the guise of our response to the auditor's report left me with a more disquieting feeling last evening when I looked at it once more than this particular item. It is an inappropriate level of response. It's a very weak response on the part of the ministry, and you're looking at the person who should take the fall for that incomplete response. It made me uncomfortable as well, Mrs Cunningham, to look at the updating and distribution of a handbook by itself as our response to some very difficult questions around the role of that committee.

I agree with what you said this morning, quite frankly, about the need for tougher-minded, people-oriented training. These are issues of not just communications and having a handbook so that we can say, "We have a handbook and we updated it and that's all we have to do." It is our responsibility to make sure the contents of that handbook are understood by the people who sit around that table. Although the response we gave was part of the answer, it was an incomplete answer, and I'm not comfortable.

I'm pleased, in fact, that you've raised it so I can indicate that I think we have to go further. I think we have to go further on two levels.

One, I think there's a training issue there in terms of what happens when members come and go from the committee. By the way, when I say training in terms of members going, I think there's some expertise in terms of exit interviews that could be quite valuable when members leave, with regard to the value they can provide the members staying and the members coming. I think we can do far more in that regard.

There's another level, and that is what the committee does. Once we have a more functioning committee across the board—I'm not suggesting, and neither did the Provincial Auditor, that all these committees are dysfunctional. They're not. Many of them were working quite well. We need to understand the difference between

those that are working well and those that aren't through better intervention and better research.

But we also need to consider, as part of future regulatory change, the roles and responsibilities of those committees not just in establishing plans but what is the responsibility in evaluating the implementation of those plans and where are the teeth in that regard? I think, although this wasn't explicitly referred to in either your comments or even the Provincial Auditor's report, more could be done in that regard.

Although it's somewhat embarrassing to be called accountable for something I signed off on and that technically and legally I wrote, so be it. That's the purpose of this committee.

Mrs Cunningham: I said at the beginning I thought we had a good relationship in trying to come forward with some solutions today, and I thank you for your frank answer. It doesn't surprise me. We can make tremendous gains by working together in our honest approaches.

I would say that the same kind of thoughts crossed my mind as I read the auditor's report on defining exceptionalities. Here's an auditor who goes out into the professional community in Ontario, with one of the best education systems, I think, in the world. We're always looking for ways of improving, but people look to us in Ontario as leaders in special education, in spite of the criticisms we have today. We have all kinds of experts out there who are called to many of the American states and to Europe to give evidence around best practices and what not, and we can't get together and define exceptionalities?

I'll tell you, during my personal experience as a mother, I was so fed up with all that terminology. The child was head-injured. That label was all that had to happen to just get on with it. I didn't care what the label was. It worked, by the way. Luckily, the people who were working with our child didn't care either, but the ministry sure cared, because it had to pay under a different category or something. It was nonsense. It's got to be unwound. That's my comment there.

1500

I'd like to move into another area. Could I ask the deputy to take a look at the special education document that was prepared by the researcher, Anne Anderson? There are a number of questions in italics under each category. I think it would be counterproductive to try to answer those right now. It's just more homework. You don't have to do it right now.

The Vice-Chair: Would this be a document that Dr Pascal has?

Mrs Cunningham: He may have it.

Dr Pascal: No, I don't have it.

Mrs Cunningham: It's terrific. You should use legislative research more frequently.

Dr Pascal: I will read it as soon as I finish Weber, between 1 and 3 am this morning.

Mrs Cunningham: There you go. This is what we do to inform ourselves, and you're welcome. It's a public service.

Dr Pascal: There's not enough homework being handed out in the province, and we know that.

The Vice-Chair: Mrs Cunningham obviously thinks the ministry, up to the highest level, is underworked and requires more homework.

Mrs Cunningham: No, I really don't. Do you know why I'm saying it and I'm using my sense of humour about it? There's so much to learn and there just isn't enough time. In getting ready for this committee, it's the practice that legislative research from time to time shows a lot of leadership and prepares us with questions. I'd like to put the document on record so you can get it, and do you know what I really think would be helpful?

Mr Callahan: Those are our crib sheets.

Mrs Cunningham: Well, it's a public document. If the public pay for it, I give it to everybody, so be very careful what you give me. That's the way it works with me.

The point is, if you or your staff take a look at it and can answer these questions, I think it would be really helpful, because there's not enough time in the committee to really get thoughtful answers. Perhaps you could respond in writing to the questions in italics; not yourself, but maybe some of your helpers.

Dr Pascal: Are these essay questions or multiple choice?

Mrs Cunningham: I don't think your helpers would let you answer all these questions yourself.

Dr Pascal: I have 2,800 colleagues who will ensure that I'm not allowed to answer them myself, but I would be very pleased—

Mrs Cunningham: I think all of us would learn a lot.

Dr Pascal: Whatever the committee decides, we will be very pleased to do.

Mrs Cunningham: If we could get the answers, I think they're very specific questions, and they could be very specific. I don't think any of us is looking for somebody to spend hours and hours. In the next two days, we just don't have time.

Mr Callahan: Twenty-five words or less. I have a short attention span.

The Vice-Chair: Mrs Cunningham, what I might suggest is that when we're finished our hearing process, we could have our researcher itemize the outstanding questions, because many of the questions are asked in one form or another by members as we go through.

Mrs Cunningham: As you did earlier today and I'm about to now. My second question, other than process, and it's right from the report, is under "Special Education Teacher Training," where the auditor made the observation that while the majority of teachers of special education classes held special education certificates, most teachers with both regular and exceptional pupils had not taken certificate courses in special education.

I won't editorialize on that because there's so much to say about it, but the auditor recommended that "the ministry should review requirements for special education training and support to ensure that boards can meet the needs of exceptional pupils," I think so they'll have

enough teachers too, as I don't think there ever has been a class that hasn't had some kind of exceptional pupil. There wouldn't be a teacher who doesn't say there isn't an exceptional pupil in their class, in the past and in the future. All of us have special exceptionalities, and I think it's all part of a teacher's education. But teacher education is something for another month.

The ministry responded here, "The Ministry of Education and Training will be reviewing requirements for special education training and support." I just find "will be" objectionable. I would rather have had a report on what had been done. So here's the question: Has the ministry finished its review of special education training and support and what are the results to date, and when does the ministry plan to implement any changes to preservice teacher education for special education? You don't have to answer it today, but it's very important.

Mr Murphy: I had the same question.

Mrs Cunningham: Well, you've got the same document.

Mr Murphy: That's probably why.

The Vice-Chair: Would you like to make a preliminary answer now?

Dr Pascal: The short answer to the first part of the question is no, it's not complete, but what I would like to do is ask for half a day to put together a status report with respect to what's been done and what hasn't been done.

Mrs Cunningham: Okay. The final one, Madam Chair, if I still have a couple of minutes?

The Vice-Chair: Yes, you still have about four minutes.

Mrs Cunningham: Okay. "Evaluating Programs, Services, and Costs." This is another heading of the audit, where the Provincial Auditor says, "To ensure that the ministry can fulfil its legislated requirement to ensure that all exceptional children have available to them appropriate special education programs and services" and then there's a whole list of things that he recommended happen.

Really, I think the essence of this one is that there are a lot of good programs in Ontario, and there are so many of us who know about them. Not only are they referred to sometimes in the handbook the parents get, but they're obviously referred to by teachers in their own professional development, in-services, and hopefully by administrators in special education departments of school boards so that we can get our teachers out looking around, and I don't mean on PD days, but that's my personal bias.

My question is this: What studies and information has the ministry obtained concerning the relative cost-effectiveness of the various special education programs and services? These will be in the Hansards. What are the implications of the results on the needs of exceptional students, resources required and the ability of the ministry to fulfil its legislative mandate? These are in response to what the ministry said. Have the results of the studies and analyses been distributed to all school boards, and are they reflected in any ministry guidelines for providing services? I'll give you this piece of paper; don't try to write it down. How will an increased emphasis on integration affect the teachers' ability to meet the needs of both exceptional and regular students? That's a key question. We talked about that this morning just a little bit; it's the teacher who has to balance her time. What are the implications for costs and the extent of services provided?

It's a long one, I know, Dr Pascal, but it does relate to your own response. It infers that these things are happening, and I hope they are. Perhaps that's another one you can give some time to.

Dr Pascal: Thank you very much. We'd be very pleased to respond, if you'll give us that, Dianne.

The Vice-Chair: You still have a few minutes left, Mrs Cunningham.

Mrs Cunningham: I do? That's unusual. Let's go back to the beginning then with regard to the special education teacher training, and perhaps I can just reflect back on teacher training in general. Perhaps the deputy can give us an overview of some of the issues that they're talking about in the ministry, because in Ontario this has been on the public agenda for probably the last 20 years. Some of us in this province date ourselves when we talk about the teacher education we received in the late 1950s, early 1960s. Some of us are absolutely shocked that very little has changed, in our view, in the area of teacher education.

I think we're proud in Ontario to say that we still attract the best people to our school systems because we think it's an important job, and we have those good people in our colleges. But there is so much criticism about teacher education in Ontario in general. In the curriculum document, when we get there tomorrow, we'll talk about training technical education teachers, which I think we should be going to the private sector and having teachers supervise programs and somebody else teaching the kids, but we can get to that down the road.

Special education is another problem because teachers do change their minds about who they want to teach and what they want to teach over a period of years, and I think that's good. So what initiatives are there within the ministry now to address this whole teacher education area?

Dr Pascal: I'll try to be very brief today, recognizing that we're going to explore this in some detail over the next couple of days. First of all, as Mrs Cunningham has suggested, the amount of studying and the differences of opinion around teacher education have a very long and interesting legacy. The Teacher Education Council, Ontario, has generated many reports, all of which are being evaluated by the ministry and all of which have been sent to the Royal Commission on Learning, because teacher education forms a major part of the commission's responsibility.

As I said this morning, there is no reform worth anything in terms of transforming the system to ensure that children are well-educated and positive contributors to a future which is healthier, safer, more just and comfortable for all that can be done without a teacher

education component. Reform in teacher education must address the issues that were raised by the Provincial Auditor.

The issue of certification is a very serious issue in terms of who's prepared to teach what subjects at what level, not just the specialty areas such as special education, which have occupied our discussions today, but the secondary school subjects in math and English and science etc.

1510

In addition, the Provincial Auditor has noted concerns around a practical component around pre-service. That is something that has to get our attention, and obviously the learning commission will have something to say about that.

I don't know whether we want to get into more detail about teacher education today or not. I'll leave that to Mrs Cunningham in terms of whether we want to get more specific today about the issues. We are taking the whole area of teacher education very seriously. Our reorganized ministry, now that we have one rather than two that deal with faculties of education, allows us, I think, to do some rather tough and bold things to ensure consistency around the province.

Right now we have 10 universities offering 11 different teacher training programs without any consistency. There are some similarities, but in terms of toughness and making sure that provincial policy and what happens to pre-service, and indeed in-service, happens to provide full support to the reform, that's simply not happening in the consistent and tough-minded way that I think the question implies. I hope we have more time over the next couple of days to explore that in some detail.

The Vice-Chair: Yes, I think if members have questions on teacher training that are specific to special education we could deal with those today or tomorrow, but if you want general ones, we should wait till the people from the curriculum side are back, because we did tell the ministry we wouldn't deal with that today.

Mrs Cunningham: Could I just say that at 4 o'clock I'm going to have to leave because the city of London is making a presentation. If I want to continue to do this job, I have to be there in another committee for a bit. If we do get a chance, we do have some specific questions on teacher education, but it's up to the committee with regard to when that should happen.

The Vice-Chair: Were your questions specifically relating to special education or were they more generic questions?

Mrs Cunningham: They are specific to special education, but you can't talk to them separately from the big issue because, unfortunately, because of what the deputy said, depending on the college or the university you go to, my questions may not be appropriate.

The Vice-Chair: Mrs Cunningham, it was my understanding you weren't going to be with the committee tomorrow.

Mrs Cunningham: I won't be here tomorrow, but I will be here Thursday morning now.

The Vice-Chair: By Thursday we may be on the curriculum side. Would other members have any objection to the Conservatives using an extra 10 minutes of their time from later in the day now, since Mrs Cunningham has to leave?

Mr Perruzza: Absolutely not.

Ms Akande: None at all.

The Vice-Chair: Okay. Mrs Cunningham, would you like to proceed then?

Mrs Cunningham: It's 1994. Happy new year to you too.

Ms Akande: Just remember this. Write it down.

The Vice-Chair: You just have to get them at the right moment when they're just about comatose and they'll agree to anything, right? Please proceed.

Mrs Cunningham: Could I just ask anybody from the ministry, I think we have a whole generation of young people, and always have had, who really want to spend their lives helping people. There are many professions that they could pursue, but I think teaching is one that, because of the experience we give to our students in our secondary schools, they're exposed to children.

Whether they have summer jobs as camp counsellors or whether they're involved in their community or their churches or whether they're involved in sports or music, they're exposed to young people. Many of them come up through the system, in my view—we used to use the term "born teachers," and I still see them wherever I go. They don't know it, but I have that feeling about them.

Many of them are dealt out of that opportunity because they cannot meet the standards to get into our university courses for teacher training, and I think it has been a significant loss. I think in Ontario, if we take a look in the past as to who were the best teachers, many of our teachers didn't have university degrees. We can all look back on that, and they didn't. But we decided as a province that we wanted that standard.

I think in some ways we've gone too far in just looking at marks. I think there are some models around the province with different schools boards. Right here in Toronto I'm aware of the North York board, and I think there's another one, that has sort of an apprenticeship program and then the students go into the colleges.

But there has to be a better way of choosing our teachers, because the kind of things we're asking about, especially with special education, this is not a 9 to 3:30 job. Kids just aren't taught from 9 to 3:30. Many teachers have to put in early hours and late hours in order to communicate with parents and other things, and we need people who are dedicated to children first. Quite frankly, I don't think we get enough of it.

I'm also told that many people who are now teachers in special education are people who have been motivated because they're already in the system and they find that's an area they want to work in.

So how do we get the right people, first of all, into the system? Secondly, surely we're not going to continue with this one year of teacher training. I mean, I did that. It was a justification, as far as I was concerned, for the staff in the college. It had very little to do with my

opportunities to learn how to teach. What is the role of apprenticeship training, especially in the area of special education?

Dr Pascal: I'll begin, and Maurice Lamontagne may add, again with the caveat that exploring too far beyond what the current problems are and what the possibilities might be is a little bit dangerous for a deputy minister who has a minister who launched a Royal Commission on Learning that has this as its major responsibility.

The Provincial Auditor indeed has noted the issue of practical experience as part of teacher preparation. He's provided information and I'm sure you have information about the differences not only within Ontario but Ontario compared to other jurisdictions. In that environment, there are several faculties of education that are developing plans for two-year programs post-bachelors, which would have a great boost in terms of practical experience.

But, again, the issue of if education is everything in terms of the future, which I think members around the table would agree plays an enormous part in our respective futures and that of our children and our children's children, the preparation of teachers has to be more than under the leadership of institutions that have a very precious claim on their institutional autonomy.

If faculties of education are located within the universities, the entry requirement, which is at the heart of your question, is one which varies from institution to institution. The predictive validity of the measures that are used to choose students I think is always open for fair criticism and conjecture.

Also, of course, as a government, Mr Cooke has announced a very strong interest in ensuring that the population of teachers reflects the population at large in terms of equity characteristics, so we also have those issues to discuss with the faculties of education.

At this particular point in time, though, the relationship is one of moral suasion along the lines of discussions you and I have had and are having in this committee with the faculties. Whether that's good enough in terms of the kinds of issues we've talked about today is a matter in the near future for the commission, but I'm not sure that the people of Ontario and those who care about the educational system will settle for anything less than bold in the area of teacher education in terms of ensuring consistent outcomes, quality preparation and the kind of in-service involvement that teachers demand and deserve in terms of their ongoing needs.

As part of government introducing a new policy on anything, there has to be a concomitant plan for teacher renewal and professional development. There are many, many examples of good news out there, as you suggested earlier on, but we do have some real issues in teacher education which the special-ed area I think brings to the fore.

I don't know if Mr Lamontagne wishes to add to that.

Mr Maurice Lamontagne: That would be at the pleasure of Mrs Cunningham. For the time being, I understand that we will be covering teacher education issues in more detail later in the week. If you have any specific questions, I believe Dr Pascal has captured essentially the issues that are facing the teacher education portfolio in the ministry right now. If you have any specific questions within that, either related to teacher education generally or to special education, I would attempt to respond.

1520

Mrs Cunningham: Only to this extent, and I'll put it on the record as a concern that's been brought to my attention in my work as a critic in travelling around the province. Teachers in their first few years of teaching are all trying to obtain certain specialties, special education being a very popular one, for a couple of reasons: number one, to get a real job, because many of them are teaching part-time as itinerant teachers or whatever.

This is the brightest and the best who we've spent all this money on, and many of them are searching for good jobs. They're going far beyond the call of duty in order to get that job and they're not, unfortunately, able to get the courses they need to get their specialist training so they can even get some of these jobs right now because of the lack of availability of some of the courses.

Two or three of them have come to my office in the last couple of weeks. They drive to Waterloo for whatever courses they want. This is in the city of Toronto, Metropolitan Toronto. There isn't a university here. I'm told the University of Toronto has picked up this semester on a couple of the courses, but that kind of planning—I mean, we at least as a province should be able to plan among our universities to train the teachers who are there and retrain them. Isn't that what this is all about? So that's a real concern.

Secondly, I think we should be thinking about what we're asking some of these young people to do. You can't keep thinking up more courses that have to be approved provincially. Many school boards many years ago decided what they wanted for requirements. A lot of the teachers were tremendously well qualified and just needed opportunities, and we used to get our certificates from board to board. Maybe there's room for that again, so that we have less bureaucracy and, as the regional office said, monitoring in some way what the boards are doing in their own training. It's exciting too for teachers to get involved in teaching others. Succession planning and succession building are important.

I just offer that as something for the ministry to look at, because we can't keep asking these young people—they're spending, they tell me, $1,500 for these courses and they haven't finished paying back their OSAP loans. We have to start thinking about what's right and doing it within people's ability timewise and their ability to pay.

These are real problems that most of us don't know about if people don't bring them to our attention. These are young people with degrees, late 20s, first job, and trying to get more upgrading, spending more money, trying to get full-time jobs, loving kids, volunteering all over the place, and their life is just so filled with stress. We have to think about them for a change.

The Vice-Chair: Mr Lamontagne or Dr Pascal, would you like to respond to Mrs Cunningham's comments before we proceed?

Dr Pascal: No, I would take it as a very thoughtful piece of advice.

The Vice-Chair: That sounds like a bureaucratic way of, "Thank you for the information, but don't call us, we'll call you."

Mrs Cunningham: Oh, he knows I'll call him.

The Vice-Chair: And you know she will.

Dr Pascal: If I had said that to anyone else perhaps, but it wasn't meant to be code for anything other than I think it's really thoughtful, and because I am not on the Royal Commission on Learning, we will await what it does. We also are not going to wait to consider ideas similar to the ones Mrs Cunningham offered. Quite the contrary, we will evaluate it as very thoughtful and then bring it to bear when we hear what the learning commission says about this extremely important area.

The Vice-Chair: We'll now go to our next round of rotation, the government caucus. We have Ms Haeck and Mr Malkowski.

Ms Haeck: I'm not sure who to direct the question to per se, but it was around a question that was raised earlier about resources. I believe Ms Poole was the one who put that forward. I guess I'm much more keenly aware of this because of a question that was raised again by a friend of mine who in fact holds my old job as a special collections librarian in a public library, the kind of sharing that in reality does not go on between the school board and the public library system. But it also sort of raises a much broader question of what kind of sharing occurs, not only information but actual resources, between ministries.

We have tended to be fairly parochial within government, one ministry saying, "It's mine," and the next one saying, "No, it's mine," and we don't actually cross boundaries. But I've had the opportunity to visit children's centres where you've got a range of assistive devices for students' communication as well as wheelchairs and other devices available for them, and you start looking at it and you say, "Okay, why can't you guys help this poor child who needs some sort of hearing assistance with either speech-language therapy or a range of other communication devices? Why is this ongoing despite I don't know how many years of infighting?"

I couldn't tell you the months that my staff has had to fight. I can tell you there's no resolution between the Ministry of Education and the Ministry of Health on one preschooler—well, I'd say kindergarten student at this point—over an issue of dealing with language training. I know this is not the only area. It just seems to go on. If you're talking resources, is there finally going to be better sharing?

Dr Pascal: Yes. I hope it will be in my lifetime and I think we're getting there. Unfortunately, I don't want to paint a picture which is brighter than it is. We are still suffering from a touch of what I call hardening of the categories, where in some parts of the province we have some of our local ministry affiliates working more closely together than traditionally we have at Queen's Park. It's getting much better.

In some communities we have school boards that in making tough, forced-choice decisions around special services are not doing it, as is the case in other boards, in isolation from their service provider partners, many of whom are under the auspices of either the Ministry of Health or the Ministry of Community and Social Services. So in some of the best-practised communities, there's lots of coordination and indeed integration in terms of how these decisions are made, how the resources can be shared and how the various partners can individually do fewer things better rather than all things less well to reduce the cost to the taxpayer, but doing it in a coordinated way so that the clients—in this case our students—are well served by working with other service providers.

That's not happening universally around the province and there are some real problems out there. There are some very difficult problems. What it means for us back home—and I accept your perception that we need to do a better job interministerially. We have reactivated the interministerial committee on children and youth so that we have a place within Queen's Park where some of the problems as they arise from our communities can be brought to bear, and if there are questions of policy or program or some financing formulas which are counterproductive in terms of cooperation, we can try to solve those in a fast-track fashion.

I have high hopes that this interministerial committee can be a place where there are real problems being brought and real problems solved so that folks, the ones out there with goodwill who are beginning to share and cooperate—and there are many example of that—can get some reward for doing it rather than getting punished through the kind of examples that you talked about.

Ms Haeck: Besides sort of the comment about the children falling through the cracks and obviously not getting the services they need, the kind of stresses that are put on the system—I'm thinking particularly in this case of a public library, where you have materials available in large type and a range of other things, and you find that the school boards basically have cut a range of their material budgets. They don't contribute a dime to anything that happens in libraries, and in fact they send all of their students to the library.

Who do the libraries buy their books for? They buy them primarily for the largest proportion of their clientele, which happens to be school children. It's crazy. The resources just are not well distributed. That's a personal comment of 16 years in libraries, which I don't see being changed, and I don't see this dialogue between the various elements within the community actually taking place.

1530

Let me just as a supplementary, after my personal observations here, suggest maybe at some point, first of all, that where in fact it is working, that somebody comes up with, "Hey, this is how to make it work, guys," and finally, when somebody isn't doing it, it's the report card on those who are the worst offenders and shaming them into the fact that maybe it's time that you don't leave the five-year-old, who happens to need this particular service, outside the door, it's time you actually got them into the

services they need.

The other comment I wanted to raise: A friend of mine happens to be a special-ed teacher in one of the poorer boards in the province and she has remarked on several occasions that she just still finds overwhelming, after several years of doing this, the amount of paperwork. One could describe it as sort of the CYA approach of dealing with this—I won't translate the acronym, since I think everybody here knows what it means—but it just seems that when you are talking of in excess of 30 forms to be filled out by a classroom teacher, that seems excessive and dealing with one student and one student alone.

I'm wondering if there is—I hate to use the word "standardization" because I think, if anything, that doesn't necessarily help the matter any—but again Mr Weber is saying that some of the basic knowledge of the classroom teacher who's dealing with the student is lost in the bureaucracy and I can't agree more.

Dr Pascal: If I could just give a very brief, two-part response to Ms Haeck's final question or comment. One is that the fiscal crunch, I think, is forcing a lot of the kind of restructuring and cooperation that should have been there for other reasons a long time ago, but there are many examples out there and I think the issue of better business practice or re-engineering some of the paperwork will flow from the fiscal problems.

However, without knowing your friend—maybe I do know her—without knowing the specific forms she's filling out, some of those forms may be grounded in regulation or legislation—

Ms Haeck: No doubt.

Dr Pascal: —and that's the kind of thing that—what we need is on-the-ground examples of things that are getting in the way of better cooperation, re-engineering—

Ms Haeck: I'll take this as notice. I'll make sure she gets the information too.

Dr Pascal: —cost avoidance and better service. That's why we need the interministerial committee at the centre so that if in fact there are some regulatory changes, we can make regulations in five or six different acts that haven't been even looked at in decades, that have now added up to get in the way of a teacher doing what she should be doing.

Each and every one of those forms may have been right for a particular area of accountability, not just the self-protection for its own sake. If those types of problems and obstacles are identified, we have a place at the centre now where they can be brought so we can remove those obstacles to the kind of re-engineering and better business practice that I think your colleague would like to engage in.

Ms Haeck: Thank you.

Mr Malkowski: I have three issues that I would like to raise. The first thing is in lieu funding which comes under memo 76C. My understanding is that it's a total of about $12 million.

Dr Pascal: I didn't hear the word that came before "funding." I'm very sorry.

Mr Malkowski: In lieu funding under memo 76C. My understanding is the total is $12 million a year.

Mr Doris: Basically yes. It's more like $15 million.

Dr Pascal: Yes. More like $15 million.

Mr Malkowski: Okay, approximately $12 million, but in my understanding of 76C the guidelines are very weak when it talks about quality of support systems, for example, sign language interpreters. School boards have a variety of screenings in terms of trying to hire people. They hire them as educational assistants/tutors, and there are no qualifications in terms of standards for educational interpreters. It would be similar to a person who took a French course, say, French 101, and then became a French-English interpreter. I don't think people would be receptive to that.

I know that it's difficult for people to find sign language interpreters. Would you mind commenting on how you're trying to work on improving the standards under 76C, not only sign language interpreters, but auditory-verbal therapists and oral interpreters as well. Could you comment on that issue?

The second issue is the special education classes. I'm wondering if they follow The Common Curriculum or if they have their own curriculum. I'm wondering if special education is considered in the provincial testing, for example, the grades that you talked about, grades 3, 6 and 9, if the special education students are included in that testing.

My third and final point, talking about information on the options, sometimes parents are not told of all the options that are available. For example, provincial demonstration schools may not be one of the options that they're told about. For example, within the educational system for deaf and hard-of-hearing children, there is oral communication or sign language communication. For blind children, they need to know information about Braille education or the use of voice print in their education. All this kind of information is necessary. It's the same with children who have cerebral palsy or who have a conductive educational approach. It's more of a holistic approach instead of using the traditional medical approach in terms of disabilities. Would there be a whole information package that would be available to parents who have disabled children which looks at each specific disability and what those child needs would be?

Could you comment on each of the three points I just mentioned?

Mr Mason: Let me start with the first one around interpreters. The only interpreters who are funded through memo 76C from the ministry are interpreters who either have the AVLIC, ie, Association of Visual Language Interpreters of Canada, qualifications or in the interim have the appropriate community college or other qualifications that are approved by a knowledgeable representation from the provincial school. If school boards choose to have some other kind of interpreting, it is not part of the funding that we provide. That is a choice they are making to meet specific needs, but it comes from their special education and not from the memo 76C funds.

The second question was The Common Curriculum.

There are two parts to that. One was the provincial testing. Yes, exceptional pupils are expected to be part of that process. There is a provision in there that boards can exempt pupils for various reasons, but we've certainly found in the central regional office that this was not a reason, that exceptional pupils were involved. Modifications such as an interpreter and Braille were made available for those students.

Looking further into The Common Curriculum, being new, there's a lot of work that we're doing out of the regional offices with school boards. As a matter of fact, we have a meeting coming up in February and special education will be part of that meeting, working with the school board staff around looking at the ways in which The Common Curriculum applies to exceptional pupils. There's a lot of work to be done, but we are in that process. Could you just help me with the third question again?

1540

Mr Malkowski: The third point was talking about information for the parents; for example, with deaf and hard-of-hearing students the parents' range of options, if they wanted to go to an auditory verbal approach, a bi-bi approach, a sign language approach; what information parents of blind children might need, what's offered at a provincial school or at school boards, either Braille education or voice print; and then the conductive education compared to a traditional medical approach, so that parents know all the options and then can choose what's best for their child.

Mr Mason: This varies from school board to school board. We get information in the annual report to the minister; we try. We requested our office to send in any of the information they are using to share with parents, so we can have a look at what kind of information is being shared.

That is not required to be part of the parent guide, the kind of information we're asking for, but many boards do indeed provide that kind of information. It depends a great deal on the nature of their population, whether they have a large population of deaf pupils or blind pupils. But there are certainly quite a few boards that provide information to parents in that regard, plus make available for parent interviews or parent meetings, translators and interpreters for parents who have that need.

The conductive education is fairly new on the scene. There certainly has been some involvement with the Ontario March of Dimes and the Hugh MacMillan centre has had some involvement. In taking a look at conductive education, it is an area where there is literally no research and we're at a time now of trying to determine the value. But the awareness of it has been fairly widespread and when a call comes in we certainly can respond to it and we've talked to some school board officials about it, but it's still an area that needs some work.

The Vice-Chair: Mr Malkowski, I think we had one further comment before you continued.

Mr Ferren: Madam Chair, if I can just build on what Ron said, we can take that particular suggestion under advisement as we did with a couple of others. During the review of the IPRC process that could be considered, particularly in the section that refers to the preparation of the parent guides, and there's some specific requirements for school boards in the development of their parent guides. That may be an appropriate place to require school boards to provide those types of options so that parents may make the proper choice of program for their particular child.

The Vice-Chair: Thank you, Mr Ferren. You have one minute, Mr Malkowski.

Mr Malkowski: Just finally, will the ministry then make it mandatory for school boards to provide a full range of options, including both provincial schools and demonstration schools? We know that resources are limited in terms of regions, but looking at what is available for the needs of the child, having that package of information for deaf and hard-of-hearing students, having the package of information that blind students might need, or looking at a specific package for each specific disability.

Mr Ferren: The suggestions concerning will the ministry require a range of options, that whole topic is under consideration in the further development of the proposed directions for the integration of exceptional pupils because that's part and parcel of that particular initiative, so there hasn't been a decision made on that at this time.

The Vice-Chair: Thank you, and thank you, Mr Malkowski. Mr Murphy for the Liberal caucus.

Mr Murphy: I am going to ask a few questions and Mr Callahan is going to follow up.

One of the things that is of interest to me is how governments make decisions on policy and how they get the information and how it's fed in and what analysis is done. One of the criticisms I guess that the auditor has is the insufficiency of information, at least from the result of the review that the auditor made at the ministry level regarding the effectiveness of programs, the cost of programs, the relationship between the two. There's a chart included in the auditor's report in which you have an expenditure variation that ranges over a 300% difference, from as low as $227 per pupil at one board to as high as $793 at another. This may be something you have to come back for, and that's fine, and it arises out of some of what Mrs Cunningham was talking about too.

Does the ministry have an analysis of the by-board, per-pupil expenditure for special education, linking that with a list of the kinds of special education programs that are available according to those expenditure categories, and then an analysis and some way of follow-up? You have various models of programs. Is there anything that says this one works versus this one doesn't and this one costs this much and works this effectively and this one costs this much and works more or less effectively?

Dr Pascal: Let me begin by reinforcing a word that is sprinkled throughout the Provincial Auditor's report, and Mr Peters reinforced it this morning, and that's the word "outcome." That is, as Mr Murphy has indicated, as a result of all those data, do we know what works and what doesn't work? I don't think we're well enough

along the way in being able to answer that question.

I'll ask Jim Doris to describe the kinds of data that we do collect, but in terms of closing the loop in terms of outcomes, what makes a difference, one of the reasons we have such a variety of expenditure difference is because the boards, since 1980, have had the responsibility to develop innovative ways and different ways, so we do have some apples and oranges in terms of how boards have approached this and therefore different levels of expenditure.

We can't answer the question as to which programs work more effectively than others. We can't answer at this point in time whether spending more makes a difference. We know generally in the whole area of educational expenditure that educational expenditure and educational outcome, as per certain types of tests that are done—we'll talk about that over the next couple of days, I'm sure—do not have a necessarily high correlation.

It is an area where I think we are generally at risk in terms of whether we've done the kind of ongoing research, but I guess it has not been seen as a high priority given the fact that the responsibility has been at the board level. I think it's a legitimate expectation that governments do this kind of research even if the responsibility for innovation and differentiation is at the board level.

I'd like Mr Doris to answer the first part of the question, which has to do with what kind of data are collected and what we do with them.

Mr Doris: To answer, this really helps explain education finance reform because for the past two years our central focus in education finance reform has been, what should be funded? What should the dollars, the scarce dollars, be going for? To start that exercise, we asked the question, what is being funded at the moment?

Our first exercise in fact was to bring together all the data we could find on 1991. We have basically what we have analysed as each board's expenditures for the year 1991 and we sent a report to each board. Basically, what we have are staffing levels, we have all of their expenditures etc and we asked them to verify that. But as the deputy points out, we have not gone into the business of what of these expenditure patterns is the most effective.

Where we're at, in a general sense, is that we now have a picture at least of these trends across the province. We do know how many social workers there are, who's got them, we know what they're getting paid etc. We're now in a position to say: "Should there be a social worker," taking that as an example, "in every school in Ontario? What would that cost? What would it mean? How many are there now? How many are short?" etc. So it's a database that we have assembled.

1550

Mr Murphy: I guess my concern on that is that sometimes you can collect a whole lot of data that don't tell you anything, because you could go through and say, "Look, you have this much money spent on salaries and these kind of people are employed," and you have no idea whether any of it works at the end of the day. What I want to know is, have you got a data collection process in place that says 20 people went through the program, 15 worked, five failed? That sounds kind of crass, but you know what I mean.

Dr Pascal: Madam Chair, through you to Mr Murphy, we have those types of outcome data. That is, we can track who, according to certain presenting challenges across what boards, gets through programs. But your earlier question was a very sophisticated question that talks about, do we really know what's at play in terms of success factors? The short answer to your question, "Are we asking the right kind of research questions in the right kind of detail?" is "No, we don't."

I don't want to disagree with my colleagues. This isn't a point of disagreement; it's simply my professional interpretation as a former and future researcher. If we just count up the number of social workers and the number of other types of professionals without asking more micro-questions about what behaviours they display—because you can develop control samples where you have the right level of social workers and speech pathologists and a whole bunch of other things, but if they are not in a consistent way performing the right kind of interventions, exhibiting the right kinds of behaviours, developing the right kind of individualized programs, as I said earlier this morning, it's very sloppy research.

It's very difficult to control everything, but that doesn't mean we shouldn't try to do the kind of value-for-money research that is implied by the Provincial Auditor's comments and concerns. So we collect a lot of information, but I'm not sure we're collecting the right information. We need to do a better job at figuring out what the questions are and then not only collecting it, but using it.

Mr Murphy: Is that a split funding responsibility or is it all the province, the special education as a category? I had it here somewhere: $1.3 billion spent.

Mr Doris: It's shared.

Mr Murphy: Shared responsibility. Have you tracked at all the difference in expenditures and perhaps quality as between public and separate boards in the delivery of special education? I suppose I'm begging the question of whether there is a difference, and do you know that?

Dr Pascal: I don't know. Do you know?

Mr Ferren: There is a difference. We collect the data of expenditures from school boards and certainly for public and separate school boards, and you will find that in terms of the inequities that exist in terms of funding between public and separate boards—and that's one of the issues that the education finance reform project is addressing—what we do know is there are inequities in funding and yet both systems are delivering special education programs and services. That still doesn't get to the issue of which are most effective, which you're also suggesting.

Mr Murphy: One and I'll turn it over. I'm sorry to use up so much time, but the special education for francophone students, I looked through and I didn't see it mentioned here and I don't know whether that means it's not a problem or maybe you didn't have time to look at it. I don't see the ADM for francophone affairs here, but are the services out there adequate? Do you have

information to assess special education for francophone students? Or am I sort of asking the same question three different ways?

Dr Pascal: If I can answer the second question first, which is whether we assess in the same way in the French-language settings, the answer is yes. In answer to your first question, whether it is adequate, the manner in which we do this, the answer is I don't know. But I would stand aside if a colleague from the ministry would like to add something in answer to the first question.

Mr Doris: The current funding model does provide extra resources for small school boards, for example, in the north. It certainly provides extra resources for those school boards that have francophone students and there are French classes. Obviously, there are extra resources for French-language school boards where they exist.

Dr Pascal: Mariette will be here tomorrow morning and will be pleased to follow up apart from the committee to give a complete answer to your question.

Mr Murphy: It may be too detailed a question, but if, for example, the population of francophones is not large enough to qualify, whatever the percentage is, and there isn't a board that services but you have a person whose first language is French and who has a learning disability, how is that person dealt with if there aren't enough other francophone people in the area to have a French-language board?

Dr Pascal: They would do the same, I imagine. Again, I'm not entirely sure, but my guess is they would do what English boards would do when they had issues of economy of scale or a particular intervention that was necessary: They would buy the services in collaboration with another board or—

Interjection: Maybe.

Mr Murphy: I see one of my colleagues is saying, "Maybe."

Dr Pascal: Ron Mason will correct me if necessary.

Mr Mason: Not to correct, but just to add, you're saying if there's not a French board?

Mr Murphy: That's right.

Mr Mason: In that case there are two possibilities. Most common is that there is a French section in the board and that French section provides programs for francophone students which include special-ed programs. It's handled in the same way as the English-speaking students. The report to the minister is handled in exactly the same way. Part of the French unit in the regional office would work in collaboration with whoever is coordinating or looking after special ed, so the evaluation—I'll use the term "evaluation" as a broad term here—of service delivery is looked at in exactly the same way.

If there is no French section, then they would be in an English-speaking situation, and they are required to provide the special education in English. What in fact happens in many boards is that the special education resource teacher or the teacher providing the special ed—boards will very often get a person who has English to be there and provide for the student. That's fairly common. But those are the three possible scenarios.

The Vice-Chair: Before we go to Mr Callahan, the auditor has asked for a follow-up to Mr Murphy, and I'm sure he would like me to reiterate that he is not part of the Liberal caucus and this is non-partisan in all ways, even though you're intersecting. We'll give you additional time, Mr Callahan.

Mr Callahan: He might be asking the question I'm about to ask. I'll see how good he is.

The Vice-Chair: But then you'll ask it anyway.

Mr Peters: To follow up on the funding, just for clarification, to make one point on this, you're from the ministry, but the allocation of funds to special education is actually at the board's discretion. Would I be wrong in that assumption?

Then the second question in that is, would the ministry actually go into a board's request for funding and adjust this on some basis or standard that exists in the ministry? Maybe that would sort of put a clarification point on Mr Murphy's question.

Mr Doris: Funding for special education in general is simply a component of that per-pupil amount for equity that I talked about earlier. It's about $4,000, and $285 of the $4,000 is assigned for special education from the ministry's point of view. For the high schools, it's about $5,000, and roughly $211 of that $5,000 is assigned there. In other words, that's our explanation of how much is going.

1600

Then you add to that, of course, all of those things that we talked about in section 27s: If there's a teacher at Sick Kids hospital, then the province is paying 100% of the cost of that, the teacher's aide etc. If we're talking about programs in lieu, the province is paying 100% on that. So you build up the expenditures. But it's true that when the board gets the money, they allocate it then as they see fit to best meet the needs of the students in their jurisdiction.

Would we do anything to adjust? Well, if we found in an audit, for example, that we had given money for section 27s and we found that they didn't meet the standards, then, yes, the money would be adjusted. Remember, this money is going on the basis of per-pupil counts, so again in the audit counts, if we found that the enrolments were inaccurate, adjustments would be made. Over the past five years, I remember $3-million changes and things like this to individual boards. So the calculations are dependent on audit processes.

Mr Murphy: But it's a numbers audit, not a value-for-money audit that you do.

Mr Doris: That's right.

Mr Callahan: That is really bizarre, because that's along the lines of what I was going to be asking, really.

The Vice-Chair: Now that we have those answers, we'll go on to Mr Villeneuve. No?

Mr Callahan: What concerns me is the following, and I hope this will not be pointing the finger at any trustee in this province. But when you're in hard economic times and you have to come up with dollars and

there is no specific earmarking of that money for special education, and when I look at the finding of the auditor which I read to you this morning about IPRCs in terms of placing, where they were "informed by school boards visited"—and I would love to know from the auditor how many times they were informed of this—"that in some cases, due to limited resources, the number of referrals of students to an IPRC for identification as exceptional is limited by the number of spaces available for exceptional pupils," I would assume that there was a further follow-up on that. It was limited to—and I guess "placement" means program and teacher.

What I'm trying to find out is, how can you ensure the very important commitment that's made in the Education Act that "The minister shall ensure"—it's mandatory—"that all exceptional children in Ontario have available to them, in accordance with this act and the regulations, appropriate special education programs and special education services without payment of fees by parents or guardians resident in Ontario, and shall provide for the parents or guardians to appeal the appropriateness of the special education placement," and for these purposes the minister shall do certain things? If it's a component of the per-pupil grant—that's what I understand Mr Doris to say and that's what I understood it to be—what guarantees are there?

Let's take the worst-case scenario. Again, I preface this by saying I'm sure that all trustees are honourable people, but they're also politicians. They have to get elected and they'll probably get elected—they'll be going to the polls in the fall of this year.

In tough financial times, what guarantees do I have for my constituents that the province has such a handle on this that they can identify that these moneys are in fact being spent for the purpose they're being spent for, particularly in light of this comment by the auditor and his findings in his discussions with local schools?

Dr Pascal: Let me start and then I'll turn it over to Mr Doris.

You raised a few questions. Let me deal first of all with the issue of parents and what they can do about the placement. The short answer is that the IPRC process has an appeals process.

On the larger issue, in terms of joining your second question with Mr Peters's question, as I said this morning in my opening remarks, there are issues of transparency or lack of transparency in terms of the dollars that go in through the GLG, through our $6.4-billion contribution to the total $14-billion-plus allocation by the people of Ontario.

There is a lack of transparency about how those dollars are spent. It's through what the ministry has been asked to do in education finance reform where the issues of accountability and equity are to be found. At least in the work we have done and that we will present as part of education finance reform, there will be transparency: "Here's the amount of money that goes in and that is for each function, including special education." The manner in which the dollars are spent will be far more transparent to taxpayers, to parents and to everybody else.

Jim may want to add a few comments to that.

Mr Doris: The law requires—put it like that—school boards to provide these programs for exceptional students. From the regulation on funding, one of the clauses, clause 6, says it's a condition of payment to a board that the board comply with the act, and if it doesn't, that grants will be withheld. I guess in the extreme situation, if you had the extreme situation that times are tough, when the board just announces, "We're not going to provide such things," then the government would at that point have the option of deciding. There would be a court action—obviously that's a possibility—or certainly, under the general legislative grants regulation, the minister could withhold grants.

Mr Callahan: Perhaps I should have clarified it. I'm talking about the invisible disabled. It's pretty obvious if someone is challenged physically, either being blind, deaf or unable to walk; that's pretty clear. You can identify those people in the school. The parent knows it. The parent goes through the process and looks to have their child receive the moneys that he or she is entitled to.

But as to the invisible disabled, the learning disabled, how can you possibly put a rider on that? How can you possibly check to see if a school board has carried out that mandate? It's not their mandate, it's the minister's mandate, according to the Education Act: "He shall." It's a mandatory provision. How can you identify that's happening?

The way I look at it is this, and this may be very machiavellian: Since the identification of a child with a learning disability requires some type of statement being made by either a teacher or an assessment by a psychologist and so on, let's say that in hard times, bad times, your class size is going to have to go up because you haven't got the funds. The trustees won't give you the funds. You want to keep those class sizes down, because that's important to your ratepayers, okay? What proof have we got—you've got to help me; maybe I'm going to be in a lot of trouble with my trustee friends—for me or for the parents of children who have been denied, perhaps, either an assessment because they said there's nothing wrong with you or haven't been able to get a placement, that this is not taking place in the case of the invisible disability if you don't have some conditionality attached to the grant?

Take the analogy in a municipality: You have conditional grants for transportation of specific items. Unless the municipality can show that this money's been spent on that, it doesn't get the money or it gets less the next year. Why is there not some—particularly for the invisible disabled. I go back to that, because I think they are really the invisible section of our society.

I have a friend of mine who teaches. She says there's no such thing as a learning disabled child. I have another person who says that there is. You've got this constant argument among the academics that they don't exist. I can tell you that they do exist. I think there's a whole host of people who have done significant research into this. So how do you ensure that these people are getting what the Education Act requires?

1610

I'd only say one more thing before I ask somebody to comment on it. There was a report by a committee of the Legislature, the Fourth Report of the Select Committee on Education back in 1990. I thought they had some pretty good things to say. The first was early identification. I think everybody agrees with that. They also argued that there should be more programs, such as at Ryerson.

Why don't you have a triage person—they don't necessarily have to be a psychologist—who has got enough education in how to spot a kid who has a learning disability—not dyslexia, because that's pretty easy to see, but attention deficit—to be able to move these kids for an assessment and guarantee their placement in a program to deal with their needs at the earliest possible moment? Why don't we have this in the correctional facilities too? Why don't we have someone there as a triage person, as they do in a hospital, to be able to identify these people and make certain their needs are attended to?

I find, as I said before, that it's the same unfortunate systemic barrier that's facing those kids as they will face in the employment equity legislation. They're an invisible disability. They have rights under the law, and unless they self-identify or unless somebody is smart enough to identify them as having a problem, they're not going to get their rights dealt with. They're not going to get their fair share in this province.

I don't know whether anybody can answer that.

Ms Akande: Go ahead.

Mr Callahan: Maybe that's just my very prejudiced view about it. I really believe there are kids out there who are suffering, and we're not dealing with them. We're dealing with—and that's great—all of the people who can be seen as having a disability, because you can account for them, but what are we doing to ensure that these kids with the invisible disability are going to be identified as totally as possible and are going to get the assistance that the Education Act is mandated to give them?

The Vice-Chair: The Liberal caucus time is actually up, but I think committee members would very much like to hear the answer to that.

Ms Akande: Very much.

Mr Ferren: I'll try. I'll start. That's a rather new twist for me in terms of the problem that has been related in terms of identifying these pupils, because of the 163,000 pupils who are identified as exceptional in the province, 72,000 have already been identified as learning disabled. So the issue of identifying them is new to me. That doesn't mean it's not an issue.

The issue that is often brought before us, and particularly by the Learning Disabilities Association of Ontario, is that we want more of our pupils who are identified as having a learning disability in special education classes, where they're getting a more intensive level of support than in integrated settings.

Mr Callahan: Right, which makes sense. If you have an attention deficit, you don't want to be in a class where—I would think, anyway. Go ahead.

Mr Ferren: Many children with learning disabilities can be accommodated, depending upon the disability, within the regular classrooms with modification of instructional methodologies and the appropriate types of learning equipment if it's provided to them. But that has been the major issue.

The issue in the auditor's report I thought cut across exceptionalities, that you may be in a situation in a school board, as I read it, where there may be a limited number of pupils who have access to the IPRC process, directly related to the number of available places, and that exists, as the auditor has indicated. In reality, though, according to the act, if the parent requests in writing that the child be referred to an IPRC, nobody can deny that child being referred to the IPRC. So it would only be the flip side of that, where it says the principal may refer the child after notifying the parent. But the parent has the absolute right to refer the child to an IPRC, in writing, and when the parent makes that request, the principal cannot refuse it.

I was just using that in terms of a protection for any pupil with a disability or any parent of a pupil with a disability, particularly if it is a major problem for parents of pupils with learning difficulties.

As far as the accessing of programs across the various levels is concerned, I'll ask Ron to address that.

Mr Mason: I'd like to pick up on a couple of things. One of them is coming back to your comment on a wheelchair user, for example. I just want to point out that being identified as exceptional, according to the act, is a pupil who is in need of a special education program. The fact that somebody may have a physical disability does not necessarily mean they need a special education program. They may need an accessible building, clearly, but the point I want to make by that is that it's the needs that are critical, and the regulations insist that what we identify are the needs. From there, you take a look at the kind of program.

I think part of this and part of the auditor's report that you're asking about is, how do we, as a ministry, take some steps? "Ensure" is a strong word; we can't be everywhere, obviously. But there are a number of ways that we try to ensure that appropriate programs and services are available.

Certainly if the situation that you've described—Peter mentioned that if somebody has called the board and they're denied access to an IPRC, those parents in most cases will in some way get to our office and ask what the situation is and will be advised. In many cases there will be, through our office, contact with the board to ensure that everybody understands what the rights of the people are. That also occurs through our ongoing liaison with the boards to see how they are providing programs and services through the annual report to the minister. In some cases that involves direct dialogue with the board officials.

So there are a lot of measures. To say "ensure" is pretty comprehensive. As I say, we can't be everywhere to do that.

The Vice-Chair: Just before we go to the Conservative caucus, the auditor has a question for you.

Mr Peters: Just an additional comment, if I may,

instead of a question: This right of the parents, how well is that actually communicated? There is quite a story behind that, in terms that when we dealt with boards directly, there seemed to be various interpretations of this right. One board that was very candid about this informed us that in fact teachers may have identified the student, but because of the shortage of spaces to deal with that particular problem may discourage identification or deal with it in such a way—because that board had decided that it was not going to be able to deal with that particular situation.

Dr Pascal: Excuse me. Is that discouraged it within the school or discouraged it in discussion with the parents?

Mr Peters: In discussion with the parents. Is that correct, Gary?

Mr Gary Peall: Certainly within the school. We're not sure about what went on with the parents, and that's really why we're bringing up the clarification. That would have been a check and balance on the system, I suppose, but if you have identified a need but didn't go the extra step of bringing that need to an IPRC process, then that's where the problem would arise.

1620

Mr Ferren: I believe the auditor has identified a problem that others have pointed out to us during the consultation on the integration of exceptional peoples and at various stakeholder meetings; that is, that there is legislation there to protect the rights of parents but that many parents are not aware of them, and that in spite of the fact that even within the IPRC regulation there's a requirement for a school board to prepare a parent guide and to have it available in every school in the system and to have it available in the board jurisdiction, there's a communication problem, or there's more than a communication problem. I think it's a proactive approach on the part of the board to make sure that parents are aware of the programs and services and what their rights are.

I think it is an issue that has to be addressed during the review of the IPRC process, and not only during the review even, to strengthen that, but then how do we strengthen that in terms of practice among school boards and ensure that there are in-service sessions carried on periodically, similar to what the deputy was speaking to in relation to special education advisory committees?

Mr Callahan: Could I just get clarification? If the auditor's saying that these school boards were doing something—what I was suggesting was that if there weren't any placements, they discouraged the teachers even talking to the parents about the rights they had. That's precisely what I was suggesting and the lack of placements might be due to cutbacks or whatever. That to me is an insidious, absolutely an insidious situation. It means there are kids out there who have rights under the law and are being denied them, possibly because of cutbacks. Surely that's got to be tightened up.

That's like having a process available and limiting the number of people who can come before the chancellor to get justice. That's totally inappropriate, and if that in fact is what the auditor is saying, I, as a member of this committee and I think all my colleagues here, would condemn that totally. That has to be stringently stopped and there has to be a string put on that so you can bring the boards to task on it.

The Vice-Chair: We'll now go on to Mr Villeneuve, and you have 10 minutes left because we attributed 10 minutes to Mrs Cunningham earlier.

Mr Noble Villeneuve (S-D-G & East Grenville): As one who watched with a good degree of interest W5 last week with the integration of exceptional students in the class, after that show was over, I had some question marks, and really it maybe was a somewhat slanted program, but it left me with a great number of unanswered questions, and really is full integration—I guess we're not speaking of full integration for exceptional students here but we're talking of integration where realistically possible.

Teachers' aides apparently are being cut back—teachers' assistants, whoever, people within the classroom who are not teachers but who have a place in the classroom. Am I right in assuming that most of these people would have been there to look or tend to the needs of exceptional students?

Mr Ferren: I don't have the statistics on that and we're conducting a review of those statistics at the present time. From my experience, the majority of teacher assistants you would find available in the school system today would be for meeting the needs of exceptional pupils in special education programs and services. I think that is correct.

Mr Villeneuve: Am I right in assuming then that there will be less—this is beyond the auditor's report here—of that available in the future because apparently teachers' aides and teaching assistants have been the first to bite the dust, should we say?

Mr Ferren: We read and hear those stories also, and sometimes that is the information that's given out that teacher assistants have been cut and that that's the first line of defence for the board if it finds it necessary to cut back on resources. But usually, when you follow up on those situations, for the majority of cases, that is not the reality. What it is, is an exercise the board is undergoing to balance its budget, and what is critical in it is that there's an equitable reduction of resources, if that's what is necessary, and that it should not be at the expense of exceptional pupils.

Mr Villeneuve: I appreciate that, and hopefully the ministry will be monitoring. I know you have to deal with boards and there are certain ways that you monitor and make sure things are happening the way they're supposed to.

Being a member of this assembly representing a large rural area in two school jurisdictions, I must put a feather in your hat, first of all, and then we'll go to other things. Within Stormont, Dundas and Glengarry there was a major problem, particularly in the city of Cornwall, where it was brought to our attention by both the separate and the public directors of education that there was a major problem in that some of the students were suicidal. There were major economic problems at home.

I must say that the ministry stepped into the breach, with the Ministry of Community and Social Services, and we now have additional counsellors. It's my understanding that it's now turned into a positive situation. The ministry and the people within the system, particularly in Stormont, Dundas and Glengarry, are telling me now that it's a very positive reaction.

Yes, money was spent, but I understand it was very wisely spent in assisting these students, who were not exceptional students, I don't think, or most of them were average students from average families where there were very difficult economic times at home, and they were going through some terrible pressures. So to the ministry, I say thank you. That was above and beyond the call of duty, I guess, but it certainly filled a very real vacuum in that area.

Now, going back to those areas of large rural jurisdictions, do you find a problem there in attempting to meet some of the needs of exceptional students in those areas where a high school our children attended was a high school with about 400 students, and you run into numbers problems? Is that a problem for you people who sit here at ministry headquarters?

Mr Ferren: It is a concern that is raised by small rural boards and it is a concern that's raised by small and isolate boards in northwestern Ontario. But I thought first, before I get on to that, we could address the issue of additional funding for those boards.

Mr Doris: Under the current funding model we certainly do provide extra support to school boards that are small school boards or that have small sections. In addition to that, there's extra support for small schools—especially we're talking now in the north rather than southern Ontario—because we're recognizing that there are extra costs incurred if they've got to travel 80 miles between each school etc. That's speaking in a general sense, not talking about special education per se, but it helps address the education needs of those students identified as exceptional, yes.

Mr Ferren: Can I pick up on what Jim has said and maybe get back to the questioner's concern about whether we have found that's a problem for smaller school boards and isolate school boards? I'd just like to relate from experience, because I had the lead responsibility for the consultation paper on the integration of exceptional pupils. I travelled across the province to almost all the school boards, or almost all the areas where the school boards are, and several times into northwestern Ontario and to small isolate boards and into some of the rural southern Ontario boards where you have the smaller populations.

What we have found is that when we were there talking about the issue of the integration of exceptional pupils, their response was, "Integration is not an issue with us, because we have no choice and we are integrating the pupils and we are providing the programs for these pupils." Their request would be for additional funding support to provide the level of services that they are providing. But what we did find also, and what we do find right today—it's there among those boards—is that they have some of the most creative solutions in terms of providing the supports and services through the interschool board cooperation and among the agencies within their particular areas. I just thought I'd make that comment.

1630

Mr Villeneuve: When you monitor the numbers of exceptional students, if you run into an area where for whatever reason there is a considerably lower percentage of so-called exceptional students, would that trigger a situation that maybe they're there and unidentified? Would you do something special at that point to try and ascertain, do we have, for whatever particular reason, a lower level of exceptional students in a certain area? If you do, do you do anything special?

Mr Ferren: Jim, did you want to pick that up?

Mr Doris: I was going to say it would only show up when we're talking about section 27s. In other words, if the board hires more teachers because of students in group homes or whatever it is, the province is providing for that. But if we're talking about exceptional students in general, like learning disabilities, remember the province is not funding on a per-pupil amount to identify it.

Dr Pascal: If I can just make sure I understand the question, my understanding of the question is, with respect to the data that we collect on a provincial basis, and this aggregate according to school board and exceptionality, if we see something that's apart from the norm in terms of presenting exceptionalities, do we do anything about it, do we do some further research to see if there's anything in play either in terms of just something that's an aberration in terms of probability estimates or an issue of identification?

Mr Villeneuve: That's my question.

Dr Pascal: Okay, that's the question.

Mr Ferren: I can't answer that, because it relates to particular boards. I do know, in terms of the statistics, that they're pretty consistent annually in terms of the total number of pupils who are identified as exceptional in relation to the total pupil population. That would run between 8% and 9%. But you're addressing the issue where, when we get those individual reports from the board and we could have a school board that's reporting—let us assume 4% of the pupils are identified. I couldn't answer that. That's why I'm looking back here. Ron Mason may be able to add to this.

Mr Villeneuve: It's just that if there is a certain area that stands out, and they may not have that many exceptional students, there's got to be a reason, the reason may be that they're not identified, that they're there but unidentified.

Mr Mason: That's correct. The reason I didn't come up immediately is because you were talking about numbers that are reported. In the regional office we wouldn't be getting the information via numbers unless we asked for it downtown. But what we do get on an annual basis is a profile that indicates to us the kinds of exceptionalities that have programs and the kinds of programs.

If we see in that report that there's a gap, that they're

not providing for a particular segment, then we would be questioning the board further on that to try and find out, "How are you providing for these pupils?" Remember, and I come back to what I said before, that the act says that an exceptional pupil who's identified is one who's in need of a special education program. If the board is providing for that pupil in some other way and the needs are not such that they need a special program, then that's quite legitimate. So we could find that out to the best of our ability with our numbers.

What we've tended to do, if we have questions like that, is that we do two things. One of them is that we will make that a board that we ask to come in and sit down with us as a committee and discuss that further and get more information than is provided in a written report. In addition to that, we will respond back to the board and express that concern publicly, which will go back to the trustees and the special-ed advisory committee. So we would identify it that way.

Dr Pascal: Today has been an extremely positive problem-solving-oriented session of public accounts and I very much appreciate the constructive tone. Am I allowed to ask a question of my own colleagues since we're being—

Ms Akande: On your own time.

Dr Pascal: It's in line with the question.

Mr Villeneuve: I'll relinquish whatever time I have left, by all means.

Dr Pascal: As a result of what—

The Acting Chair (Mr Tim Murphy): In lieu of writing it down and passing it to Mr Villeneuve, why don't you just ask.

Dr Pascal: Thank you very much. We've saved a nickel.

Ms Akande: And your life.

Dr Pascal: And my life.

Getting back to the question and Mr Mason's answer, do we take the regional office results, as per the kind of investigation you just discussed, and do we step back and have all the regional offices compare their experience as a result of what you've just described that you would do in your own regional office, because that gets, I think, closer to the issue of whether or not there is some aberration from the provincial experience? Do we do that?

Mr Mason: Two parts to that answer.

Dr Pascal: If we don't it's okay. It's not okay, but I'm just interested in the answer.

Mr Mason: I'm not your consummate bureaucrat, but it is a yes and no answer.

Ms Akande: I don't believe you.

Mr Mason: People who know me know that. We have consistently sent those letters that I referred to, downtown. All the regional offices have done that and they have been up to this present time, up to this past year, reviewed downtown here at the special ed unit with some kind of summary and patterns looked at.

This has become a problem in that we have fewer people to do those things, and what has been reinstituted is a group of people representing all the regional offices meeting, not physically but through teleconference, on a regular basis to try and be consistent on our approach to this.

That's the current way we're looking at dealing with this with fewer people and similarly, in our own regional office, we're taking a look at ways we can try to maintain that same accountability with fewer people. So it's being done using electronic means and that sort of thing.

The Acting Chair: Mr Villeneuve, I've let you go actually well beyond your time. Why don't we just say one question and some follow-up, sort of five minutes as the loose structure of how much time each caucus has left. I have Ms Akande on the list.

Ms Akande: I'm interested in two things. One is integration in relation to accountability. Integration, as you know, and your reading will certainly emphasize, is something that's looked upon as desirable in terms of special education because it is felt that after one has given an intense program within a self-contained class, it's advisable to reintegrate the student so that eventually they will be able to operate within a regular program.

That being the case, though, it sometimes is the scene of a coverup. In other words, a child may be identified as a special education student in any of the categories that are there, put into an integrated program initially, or a self-contained program and then gradually reintegrated, and the teacher of the integrated program does not have special education qualifications in any area or in the area where the child has been identified as being exceptional, and yet the board is able to achieve the funding because the identification process and criteria have been fulfilled.

That being the case, it would probably be picked up most likely, if at all, at the regional level and if so, the argument may well be put that the child is in an integrated program and is being served there even though the teacher has no special education qualifications. There is nothing in your legislation that addresses that directly, or am I wrong?

1640

Mr Mason: It's an interesting question. Let me try and summarize it. Indeed, it may be that a pupil has been identified and is being served through the individual program plan by a teacher who does not have special ed qualifications. How do we deal with that?

It's indeed a concern. What is happening in that case, and this is critical to the whole integration aspect, is the kind of support that's provided for that classroom teacher. One of the things that I've observed in this movement towards more integration is that the job description for resource staff is shifting from direct instruction of the pupil to more and more support in a collaborative way to classroom teachers. If that indeed is the way it's being handled, there's much merit in that and that's what we have to take a look at.

As far as requirements in the legislation are concerned that all teachers who work with identified pupils have qualifications, there is no requirement. There is a requirement if they are teaching a class. So looking for that kind

of support is critical.

Ms Akande: In relation to that, if that's acceptable and if we also say that the best system would be a chain of accountability—because if you've got a support person working with a regular class teacher to provide a specialized program directed towards the needs of the special ed kid, so a chain of accountability is really what you're setting up—then wouldn't it be a wiser consideration for the ministry to look at ways of linking with those who are most accountable to the special-ed programs within boards rather than finding direct ways of monitoring themselves?

Mr Mason: I haven't captured all of that. You're looking at how we could be more accountable as to what's happening?

Ms Akande: No, I'm saying that what we've been saying here this afternoon and this morning is that the ministry should monitor that, and the ministry should monitor every new area or every area that we're talking about, and I'm saying maybe one of the things that we should be asking is, is it possible for the ministry to set up a monitoring process that recognizes the chain of accountability through boards etc, rather than feeling directly responsible for each particular area?

Dr Pascal: That we evaluate the evaluation mechanism.

Mr Ferren: My only comment on the original question concerning teacher training is that the deputy already spoke about that particular issue and that needs to be addressed, there's no question about it, as we pursue the further development of the policy in integration.

But since we've been referring to this Ken Weber book all day, I also would draw your attention to section 13 concerning prevailing misconceptions about integration. There is a section in there, and I think it has a lot of validity. The misconception is: "Teaching in an integrated classroom requires radically different strategies and methods. Especially in elementary school, and especially where a student-centred approach is taken to instruction, teaching methods usually do not vary in any dramatically significant way."

When you move to the secondary school level and it becomes more content oriented, then there are different approaches that are needed.

Mr Callahan: I find back in this report of the select committee on education that one of the problems that was identified was the following:

"We have heard a great deal, not only in this set of hearings but also in our previous deliberations, of the difficulties parents perceive with the IPRC process. Many parents do not know how to find the assistance or advocates they need to work their way through the system. The particular dynamics of the individual committees and board programs for special needs children vary considerably. We recommend that"—and this was a recommendation made in June 1990; presumably it was the same information, according to this, that had been heard at other hearings—"the Ministry of Education ensure that all parents have equitable and adequate access to assistance and advocacy services within the identification and placement review process."

Has that been done, or is there anything in the mill planning to have it done? I know one particular lady in my area who acts as an advocate, and she does it gratis. Is there anybody in the board who is an advocate to help them through these?

Mr Ferren: What is being recommended, I know from initial examination of some of the issues that have been raised around the review of the IPRC process—and it's in it's very early stages, just identifying some of the issues. One of the items that came up is that in that section of regulation 305 concerning a parent guide, they were recommending that school boards prepare and make available to parents a list of the associations that are available within the jurisdiction, within reason, whether it be support groups available or local advocacy associations. That review is just in process now. There may be many boards in the province that are doing that now and I'm not aware of it. Ron may be more aware of that.

Mr Mason: Actually, there are very few boards in the central region that do not list the parent associations in their parent guides. It's almost universal. So that kind of advocacy is there, and in many of the parent guides, I'd say the majority, the availability of an advocate, from wherever, but certainly from the association, is made known to parents through the guide. That's something we encourage. It's not mandated, but we encourage that.

Mr Ferren: To build on that, certainly in the review of the IPRC monograph that the Advisory Council on Special Education has undertaken, they've highlighted the role of the advocate.

Mr Malkowski: Do you mind if I follow up on that point quite quickly? In my understanding of the IPRC process, from a parental perspective, they're not allowed to bring in an advocate or an advocate representative. I'm wondering if that was something that the Provincial Auditor heard.

Dr Pascal: My understanding is that they are. The intent of the question of course was, what advocates are available to help parents understand the process? But my impression was that in fact parents are allowed to have an advocate help them through the process, including being there during meetings.

Mr Callahan: That was the recommendation of the select committee in 1990.

Mr Mason: There are two parts to that, if I may.

The Acting Chair: Perhaps I'll come back to you. I think part of that question was directed to the auditor, so perhaps I can ask the auditor to respond.

Mr Peters: We found in our audit that most boards allowed an advocate to be brought in but some did not. There are exceptions.

Mr Mason: That was my response.

Dr Pascal: Some did not allow it?

Mr Peters: Yes, some did not allow it.

Mr Mason: Could I comment? When that's brought to our attention, we would be in touch with that board to clarify the rights of the parent. It does become the rule of the chair of the IPRC as to who is there and who isn't

there, but certainly an advocate is something that is encouraged.

Mr Callahan: That's like western justice, that you get certain justice in one area and—that is totally unacceptable, I'm sorry. I find it an absolutely outrageous situation that it could continue to exist that certain people in Ontario are getting less quality or less access to justice than others. That's precisely what I read into that whole process.

The Acting Chair: Perhaps we'll follow through with it. Dr Pascal, and then Mr Villeneuve has some time.

Dr Pascal: Very quickly, based on what I've just heard, in fact, practice out there has very much a lot of boards enabling that to happen. When I asked my colleagues to my left, "Do we have the teeth to force what Ron was suggesting in terms of dealing with the boards?" moral suasion is as far as we can go, because it's not grounded in regulation. So there is an issue which requires regulatory clarification.

1650

The Acting Chair: The auditor would like to comment, and then, Mr Villeneuve, you have some time to finish off.

Mr Peters: I agree with both comments. This is precisely what we meant by the accountability framework, because the way it is currently set up, the accountability by the school boards to the ministry, there are breaks in that accountability. That is one of the things that hopefully part of the recommendations of this committee can address, as to whether something can be done to fix those breaks.

Mr Villeneuve: Just a short question: Is the identification of an exceptional pupil a very controversial issue? I have parents who will come to me and say, "My grade 7 child should actually be in grade 9 because she's not learning anything in grade 7; she's way above and beyond," and then we have what we saw on W5 the other night. In the identification of these special students, is there a standard code of practice? Is there a mould? How flexible is it? Is there a lot of controversy?

Mr Mason: There's controversy in the sense that there certainly is a split of opinion in parents on whether they want identification that has a label attached to it. That's controversial. There are groups of people who want that and there are those who don't. The legislation does not require the label; it requires the boards to have the definitions and the criteria by which the identification is going to be made. If the pupil is identified as exceptional, then they identify the needs. As I say, the controversy is whether or not you use a label, and that can be accommodated within the existing legislation by zeroing in on the needs identification if the pupil is indeed exceptional. I'm not sure if that addresses your question fully.

Mr Villeneuve: It goes hand in hand with destreaming, and that's a whole story for another time. But these are some of the questions that come to me, and I'm certainly no expert. There appear to be certain parents who would like this special-needs student, whether it's in reading or whatever, to receive that special training, and it seems to be difficult to identify the word "outstanding."

Mr Mason: You mean the term "exceptional"?

Mr Villeneuve: "Exceptional," yes.

Mr Mason: Again, there are broad definitions that the ministry has provided. This is not in regulation. The only thing is the major categories that are in the act. The ministry has provided, some years back, very broad definitions. The boards are required to put that into detail in terms of their own definitions, and that's part of their special education plan which must be there and available to the public. If they modify that, they have to report that to the minister. So it's the board's responsibility to get into the very narrow bands.

You were asking about controversy. Yes, there are controversies about what that may mean. This is predominantly around either end of the intellectual exceptionality areas, and certainly there's been very little said here about "gifted." If you're looking at controversy around a label and whether it be used and how they're identified, that's probably the area.

That's why I said before, and I will come back to it, the critical part here is to go back to the definition of an "exceptional" pupil. Because somebody has scored, for example, a particular point on a standardized test and has an IQ of a certain number does not mean they are in need of a special education program. We really have to come back to needs and then relate that to the criteria the board happens to use for identification. So it's a big issue. Yes, there's controversy, but if we really look at the existing legislation, a lot can be done within it to really lessen that controversy.

The Acting Chair: Just before we break, we should discuss what we're going to discuss tomorrow for the ministry's ease so certain people can do other work.

I know Mrs Cunningham had an interest in special education to follow up, and she's not back till Thursday morning. My suggestion might be that we start tomorrow morning with curriculum items and continue and follow up on special education. In any event, I think the homework on special education will probably take some time to gather. Subject to any disagreement, I would suggest that we ask the curriculum people of the ministry to be ready to go tomorrow. Is that fine with everyone? Good. Dr Pascal, is that all right with you?

Dr Pascal: Thank you for structuring it that way.

The Acting Chair: Okay, we'll adjourn until 10 o'clock tomorrow morning.

The committee adjourned at 1656.

CONTENTS

Tuesday 18 January 1994

Annual report, Provincial Auditor, 1993: Ministry of Education and Training P-383

STANDING COMMITTEE ON PUBLIC ACCOUNTS

*__Chair / Président:__ Cordiano, Joseph (Lawrence L)
*__Acting Chairs / Président suppléants:__
Callahan, Robert V. (Brampton South/-Sud L)
Murphy, Tim (St George-St David L)
*__Vice-Chair / Vice-Présidente:__ Poole, Dianne (Eglinton L)
Bisson, Gilles (Cochrane South/-Sud ND)
*Duignan, Noel (Halton North/-Nord ND)
*Frankford, Robert (Scarborough East/-Est ND)
Marland, Margaret (Mississauga South/-Sud PC)
O'Connor, Larry (Durham-York ND)
Owens, Stephen (Scarborough Centre ND)
*Perruzza, Anthony (Downsview ND)
Tilson, David (Dufferin-Peel PC)

**In attendance / présents*

Substitutions present/ Membres remplaçants présents:
Akande, Zanana L. (St Andrew-St Patrick ND) for Mr O'Connor
Cunningham, Dianne (London North/-Nord PC) for Mrs Marland
Haeck, Christel (St Catharines-Brock ND) for Mr Owens
Malkowski, Gary (York East/-Est ND) for Mr Bisson
Rizzo, Tony (Oakwood ND) for Mr Duignan
Villeneuve, Noble (S-D-G & East Grenville/S-D-G & Grenville-Est PC) for Mr Tilson

Also taking part / Autres participants et participantes:
Ministry of Education and Training:
Pascal, Dr Charles, deputy minister
Ferren, Peter, program/policy support team, special education policy unit
Doris, Jim, project leader, education finance reform, strategic funding team
Carrier-Fraser, Mariette, assistant deputy minister, elementary, secondary, postsecondary operations and French-language education
Mason, Ron, education officer, central Ontario region
Lamontagne, Maurice, education officer, program policy support team, special education policy unit
Peall, Gary, director, ministry and agency audit branches, Office of the Provincial Auditor
Peters, Erik, Provincial Auditor

Clerk / Greffier: Decker, Todd

Staff / Personnel: Anderson, Anne, research officer, Legislative Research Service

CA2ON
XC21
-P22



P-22

ISSN 1180-4327

Legislative Assembly
of Ontario

Third Session, 35th Parliament

Assemblée législative
de l'Ontario

Troisième session, 35e législature

Official Report of Debates (Hansard)

Wednesday 19 January 1994

Journal des débats (Hansard)

Mercredi 19 janvier 1994

Standing committee on public accounts

Comité permanent des comptes publics

Annual report,
Provincial Auditor, 1993

Ministry of Education
and Training

Rapport annuel de 1993
Vérificateur provincial

Ministère de l'Éducation
et de la Formation

Chair: Joseph Cordiano
Clerk: Todd Decker

Président : Joseph Cordiano
Greffier : Todd Decker

Published by the Legislative Assembly of Ontario
Director, Hansard Reporting Service: Don Cameron

Publié par l'Assemblée législative de l'Ontario
Directeur, Journal des débats : Don Cameron

Hansard on your computer

Hansard and other documents of the Legislative Assembly can be on your personal computer within hours after each sitting. Sent as part of the television signal on the Ontario parliamentary channel, they are received by a special decoder and converted into data that your PC can store. Using any DOS-based word processing program, you can retrieve the documents and search, print or save them. By using specific fonts and point sizes, you can replicate the formally printed version. For a brochure describing the service, call 416-325-3942.

Index inquiries

Reference to a cumulative index of previous issues may be obtained by calling the Hansard Reporting Service indexing staff at 416-325-7410 or 325-7411.

Subscriptions

Subscription information may be obtained from: Sessional Subscription Service, Publications Ontario, Management Board Secretariat, 50 Grosvenor Street, Toronto, Ontario, M7A 1N8. Phone 416-326-5310, 326-5311 or toll-free 1-800-668-9938.

Le Journal des débats sur votre ordinateur

Le Journal des débats et d'autres documents de l'Assemblée législative pourront paraître sur l'écran de votre ordinateur personnel en quelques heures seulement après la séance. Ces documents, télédiffusés par la Chaîne parlementaire de l'Ontario, sont captés par un décodeur particulier et convertis en données que votre ordinateur pourra stocker. En vous servant de n'importe quel logiciel de traitement de texte basé sur le système d'exploitation à disque (DOS), vous pourrez récupérer les documents et y faire une recherche de mots, les imprimer ou les sauvegarder. L'utilisation de fontes et points de caractères convenables vous permettra reproduire la version imprimée officielle. Pour obtenir une brochure décrivant le service, téléphoner au 416-325-3942.

Renseignements sur l'index

Il existe un index cumulatif des numéros précédents. Les renseignements qu'il contient sont à votre disposition par téléphone auprès des employés de l'index du Journal des débats au 416-325-7410 ou 325-7411.

Abonnements

Pour les abonnements, veuillez prendre contact avec le Service d'abonnement parlementaire, Publications Ontario, Secrétariat du Conseil de gestion, 50 rue Grosvenor, Toronto (Ontario) M7A 1N8. Par téléphone : 416-326-5310, 326-5311 ou, sans frais : 1-800-668-9938.

Hansard Reporting Service, 481 Legislative Building, Toronto, Ontario, M7A 1A2. Phone 416-325-7400. Fax 416-325-7430

STANDING COMMITTEE ON PUBLIC ACCOUNTS

Wednesday 19 January 1994

The committee met at 1006 in room 151.

ANNUAL REPORT, PROVINCIAL AUDITOR, 1993

MINISTRY OF EDUCATION AND TRAINING

The Chair (Mr Joseph Cordiano): Members of the standing committee on public accounts, by previous agreement, we're going to deal with matters pertaining to curriculum this morning and curriculum will be the focus. I believe the deputy has an opening statement around that. No? We're just going to lead into questions.

Dr Charles Pascal: I will save you from any more opening statements.

The Chair: Okay. Do you want to perhaps turn to the briefing around curriculum just to bring members up to speed with where we are with that? I thought there were government members here but I guess there aren't, so we'll just wait for a moment. I know we've gone over this. Perhaps I could turn to Mr Jordan. Do you have any questions around this?

Mr Leo Jordan (Lanark-Renfrew): No, I don't, Mr Chair. I'm filling in this morning for Margaret Marland. Perhaps my colleague Noble has a question.

Mr Noble Villeneuve (S-D-G & East Grenville): There is no opening statement?

The Chair: No, there isn't. The auditor?

Mr Erik Peters: No.

The Chair: No one's going to rescue us.

Dr Pascal: I could make an opening statement if you want, Mr Chair.

The Chair: No, that's fine.

Ms Dianne Poole (Eglinton): Mr Chair, I have to apologize on behalf of the committee. I think our brains are still thawing from the cold and I think we're also still geared to special education, so we're frantically looking over our notes and changing gears.

The Chair: I think it might be helpful to have Anne quickly summarize where we were on this section and just point out some of the directions in a five-minute or 10-minute synopsis for the benefit of those members who were not here for her briefing.

Ms Anne Anderson: Perhaps the best thing for me to do then is to go over the first couple of pages of the briefing that I gave the members on Monday. It takes into it some of the background behind the Provincial Auditor's report and just sort of highlights the key recommendations that the auditor had.

One of the main points, I think, to make is that since the audit was initiated, the province established the Royal Commission on Learning, whose mandate is to address many of the issues that the Provincial Auditor brought up, including issues that are in the areas of accountability, governance, program purpose and direction.

Another major initiative of the government's since the audit has been the common curriculum. As had been mentioned before, some of the key features of that curriculum were that it focuses on results and identifies learning outcomes, it's designed for all students and it's based on an integrated approach to learning where subject material is incorporated into broad areas of study. This emphasizes sort of relationships between those areas.

The four areas that have been designated are language; mathematics, science and technology; self and society; and arts. It requires school boards, school staff, students and the community to work together to meet local needs and provides a basis for evaluating student programs and program effectiveness. This would include some of the province-wide testing, grades 3, 6 and 9.

The main objectives of the audit were to assess whether the curriculum development process was cost-effective, whether there were satisfactory procedures to measure and report the effectiveness of education programs and services, and what arrangements were in place to ensure that a curriculum of consistent quality for both official languages is taught and learned in the province.

The overall observation of the Provincial Auditor from this audit was that, and I quote:

"The present arrangements for the development and delivery of curriculum could be more cost-effective and are not adequate to determine that a curriculum of consistent quality in both official languages is taught and learned across the province."

However, he did recognize that many of those issues that he brings up will also be addressed by the Royal Commission on Learning.

The main thrust of some of the recommendations that came out from there had to do with the development and implementation of curriculum, accountability measures and teacher training. Under development and implementation of curriculum, the audit recommended that the ministry should coordinate the boards' development of curriculum and other resource documents, involve key stakeholders, clarify the objectives of the broad-based technology program, coordinate the delivery of French-language curriculum and periodically perform a more thorough evaluation of the needs for French-language materials.

There are also key recommendations concerning accountability, recommending that the entire accountability structure should be studied in conjunction with the royal commission.

"The ministry should collect information about various student and teacher assessment and reporting methods...and establish best practices" and "devise appropriate province-wide assessment tools for all core curriculum areas."

Finally, under teacher training, the recommendations were to review the criteria for teacher certification, review additional qualifications needed to help with the implementation of the common curriculum, consider

reserving a portion of each board's PA days to introduce new initiatives, include the training of technology teachers in the teacher training program, and develop a strategy to ensure that all French-language schools and teachers have equitable access to services.

That's really a sort of brief summary, I think, of the recommendations that the auditor had. The rest of the package goes into more detail. Would you want me to continue with that, Mr Chairman?

The Chair: No, that's fine. That should provide sufficient food for thought. Ms Poole has a question.

Ms Poole: Thank you, Mr Chair. I apologize for not being ready to start this morning, but we've now got the appropriate places marked in our auditor's report to start.

I'd like to talk about accountability, because that's one of the prime responsibilities of this committee, to ensure that ministries and government agencies are accountable to the public and to the taxpayers.

On page 74 of the auditor's report, under "Accountability Measures," the auditor refers to the fact that the Education Act allows a permissive framework where the minister may actually delegate certain authority to the school boards. He makes the statement:

"Within this permissive framework, ministry policy has favoured increased delegation of authority to boards to promote local autonomy and responsibility, but has demanded very little reporting about how well boards are achieving system objectives."

When we held our hearings in the select committee on education, one of the constant criticisms was that the ministry did not require adequate reporting from the boards and in fact was very poor at data collection. Dr Pascal, since you were involved in many of those hearings at the time, from a different perspective, you will recall that much of the evidence that we had to use on the select committee had to come from different jurisdictions because Ontario didn't have the database.

I would just like you to outline for us what steps have been taken over the last few years to try to improve the reporting requirements from the local school boards back to the ministry so in fact we know that the taxpayers are getting value for the dollar.

Dr Pascal: I very much recall some of the discussions that took place during the select committee and the important discussions around accountability. Indeed, as the Provincial Auditor has noted, the act, that is, the formal requirements, is indeed permissive with respect to what the minister can do or can decide not to do with respect to being clear about curriculum. Indeed, the issue is one of traditional greyness. That has been, I think, generally true up until recent times.

I think in the same context that the Provincial Auditor noted the traditional lack of a clear, outcomes-oriented accountability framework, the presence of a common curriculum, which has been under development for a number of years with lots of stakeholder involvement, was a welcome addition to the scene.

As we look at accountability in the area of curriculum, the cornerstone for any accountability framework has to be clearly set learning outcomes. In the first and final analysis, whether a system works or not, whether any intervention provides value added or not, will rest on whether students are learning what they're supposed to learn and whether the system is transparent to everyone in the system: students, parents, trustees, educators and government, those elected to the provincial Legislature.

The last couple of years have seen things like the common curriculum standards that have been established for grades 3, 6 and 9; the provision of information about how our students are doing in terms of reading and writing, including the provincial review findings that were tabled in December; the student achievement indicators' project, a pan-Canadian project which, under Ontario's leadership this past year, has expanded.

The heart of any accountability framework for curriculum, which is why it was very helpful for the Provincial Auditor to go into a territory which was probably rather interesting and foreign because of the nature of the issues, has been very helpful in reinforcing that some of what we've begun to do in the last number of years is exactly appropriate for being clear about learning outcomes and providing information to all about how we're doing in achieving those outcomes.

We can explore over the course of today many specific examples of how we are setting learning outcomes, testing for their achievement and then providing information back to all the appropriate individuals who can make a difference with respect to the results, how we're doing in achieving those learning outcomes.

As part of our discussions, I'm sure we will want to have discussions about testing and the relationship between setting standards that relate to whether someone can or can't display their learning in an area and the difference between some of our approaches of today compared to standardized tests of yesterday. I won't go into that in any detail, unless members wish to, but there's a big difference between testing for standards and standardized testing, which has a lot of issues that members may wish to explore.

That's just a preliminary response. Let me take this moment, Mr Chair, to introduce a few of my colleagues who are up here at this point with me: Ron Wideman, Maurice Poirier, and Richard Gauthier from the ministry. I think we'll pause there and wait for a supplementary.

1020

Ms Poole: I for one was very supportive when the government reversed its position on testing for standards. I agree with you about the difference between that and standardized testing. I think it's extremely important that we measure outcomes. Otherwise we have no way of measuring how effective the programs are and what specific needs our children have.

I'm wondering, further to that, what specific measures the ministry has undertaken to ensure reporting back from the local school boards on the success of the curriculum, for instance, what endeavours you've taken in that regard. The reason I ask that question is that I know a few years ago there was great angst in the educational community because they had a new curriculum being delivered but they didn't have the guidelines, they didn't have the

appropriate resource material, and there seemed to be a real lack of communication between the ministry and the teaching profession as to how this was going to be delivered. I wonder how much of that has been rectified, and has that problem been overcome?

Dr Pascal: I'll ask Mr Poirier to answer the part of the question that deals with what kind of ongoing feedback mechanisms there are. But with respect to the issues of communications and involvement, using the common curriculum as an example because the Provincial Auditor uses it as an exemplar and we've had feedback from other jurisdictions that they're proceeding on the same kind of results-oriented, learning-outcome approach, the involvement of classroom teachers and those who lead classroom teachers in the development of the first draft has been quite extensive. The revision of the document, using the common curriculum as an important example, that is taking place right now has a very large stakeholder's group, which includes teachers and significant others.

In addition, we have developed, under Mr Cooke's leadership, a newsletter called In Common/En commun for all classroom teachers to understand the nature of how the common curriculum is going. It's meant to be a two-way communication vehicle so that their expertise as they apply the common curriculum, as they make the revisions necessary to achieve the outcomes, is fed back to us. We've also just launched a teachers' newsletter for all issues that relate to ministry priorities, again meant to stimulate two-way dialogue.

Those are a few of the things we're trying to do for the front-line teacher, that front-line professional, because of what policies come out of Queen's Park, if that individual isn't providing a real, tangible reality to the curriculum documents and the guidelines, the relationship between what happens at the centre, with involvement from people around the province, and what happens in classrooms is in jeopardy. But Mr Poirier perhaps wants to add with respect to the board-information feedback loop in terms of progress.

Mr Maurice Poirier: Thank you, Dr Pascal. The question on reporting is a key one in any discussion on accountability, because performing assessments or testing without having that feedback loop essentially invalidates the testing exercise. So perhaps reporting is an area, as Dr Pascal pointed out, that we need to focus on more and more. Reporting is an ongoing activity, and it occurs in a variety of ways and at a variety of levels. Of course, teachers report back to students at the classroom level, and they are expected to report back to the parents as to how well their students are progressing relative to the program that has been established by the province.

At the school and school board level, many school boards in Ontario conduct their own assessment programs and tests, if you like. They quite often make these results known at the school board level.

From a provincial perspective, we undertake a number of fairly large-scale assessment programs. Just to give you a vertical cross-section of that, we participate in international assessment programs. Yesterday, or this morning, I made mention of our participation in the Third International Mathematics and Science Study, which will take place in 1995, and that study involves a public reporting exercise, in fact on a global scale, when the assessment is complete.

At the national level, as you might be aware, the Council of Ministers of Education, Canada, is in the process of conducting its second large-scale assessment. Last year we had the national test in mathematics, which was reported on this December, and the report involved a national report in addition to provincial reports, which of course we make available to the education system in this province. This spring we will see the administration of the language test, the national language tests, and the same reporting format will be adopted for that exercise.

At the provincial level, we conduct a number of assessment activities. Provincial reviews are ones that are probably the best known in Ontario, and these are essentially large-scale sampling of student achievement in the province to give us a picture of how well students are doing in a particular area at a grade level. Here again, we engage in a very public kind of reporting process. In this instance, however, individual results are not communicated, simply because this is a random sample. So the purpose of that test is not to provide individual feedback.

Ms Poole: Would it provide it by school, for instance, so you could tell that a particular school had a certain rating, though, or is it quite random?

Mr Richard Gauthier: As part of an answer to your question, the ministry has moved from a model of provincial reviews that Maurice was describing to provincial testing. The deputy mentioned that earlier also.

In this particular instance, this year we've concentrated on grade 9 testing, en français and in English, and we will be reporting back. Contrary to provincial reviews, which were a sample, in this particular instance, all students in grade 9 are being tested. The reporting back will be done as a school board report, but we're also reporting back per individual students.

There are two things that are happening: One is that the teacher marks and goes through the answers of the students. All this is being sent then to a central location. Then there is province-wide, coordinated by the ministry, marking done of the students' writings. We'll be able to give feedback to the teacher and to the student as to this provincial marking so that the teacher will get a chance to see how his marking fits into what the provincial marking has done, and the student gets a response back as to how he fits in and how he or she has done with it.

So as part of your answer, we've gone from a provincial review model to a provincial testing model which has a much stronger reporting back.

1030

Ms Poole: I'm going to ask a really controversial question. In the event, once these test results are tabulated, you notice very strong trends, for instance, in a certain school, that every class that has a certain teacher has extremely low marks across the board—the school board, I assume, would be aware of the test results; the school itself would be—are you going to mandate any sort of teacher training, upgrading, improvement system

for where it seems very clear that there is a problem with the teaching method?

Dr Pascal: That's a very good question. It strikes at the heart of the roles and responsibilities that should be part of an accountability framework and what happens when the information that's provided through this kind of testing pinpoints something that creates a fairly specific question mark in a particular board, in a particular school, in a particular set of classrooms.

At this point in time, without the benefit of the Royal Commission on Learning, we are doing the following, and we have to await the Royal Commission on Learning and what advice it has for the government and the minister about the various roles that people should play in a new accountability framework and with new attributions and responsibilities and roles in whatever governance recommendations they make.

They have to decide who should set standards. My guess is they might agree that what's happening right now in most jurisdictions is that the state should set standards. They shouldn't do it in a belligerent way, but they should do it in relation to the front-line educators and experts in various fields and then who's responsible for providing information, who's responsible for acting on the information when it's provided. In the current environment we have school boards. We have 172 school boards which, in an aggressive testing environment with clear learning outcomes, are given, as a group of trustees, information that raises your question.

We would make the assumption that the employer, which in this case is the board, with good information about the question mark you have posed, should deal with that information in a fair and equitable fashion in terms of professional development and all the kinds of common areas of support, feedback, coaching, progressive discipline, whatever arises from that.

You've posed a very specific and somewhat possible and controversial question about how this would all work. But under the existing framework and set of responsibilities, we think that providing good, clear information to trustees and to their directors and superintendents and principals should be enough guide about what to do.

As a result, for example, of the recent tabling of the results on the provincial review on writing, which was tabled in December, there are a few significant school boards that responded rather quickly with respect to what they're going to do; that is, there was a certain kind of public pressure because there's transparency.

The parents and the students and the trustees all see that this is how the performance looks, here's how we're doing or here's how we're not doing, and it forces a certain kind of responsibility on the part of those. I can't imagine a trustee with really difficult results compared to others just saying, "Oh, it must be a statistical aberration." They would want to investigate more thoroughly.

Jim might want to add to that.

Mr Jim Lanthier: Our experience with provincial reviews has been that boards respond quite aggressively to the results and take the individual board reports very, very seriously. They have followed up quite directly with reviews of program, with examination of teaching methodology and approaches, and have done some quite interesting and useful things in terms of amending their programs in response to information we've given them.

The Acting Chair (Mr Noel Duignan): That's the official opposition's time for this portion.

Ms Poole: You put a government member in the chair and they cut me off.

The Acting Chair: It is the turn of the third party.

Mr Villeneuve: The common curriculum, I understand, was implemented last September, first year. Right?

Mr Maurice Poirier: The Common Curriculum document was released last February and the planned phase-in for the implementation was September 1993 for the next three school years. We expect that we would be in the schools, in full implementation, in 1996.

Mr Villeneuve: Is this based on precedent elsewhere? I realize that it's a changing world and what have you. What are the main reasons for bringing in the common curriculum and the testing? I understand that many teachers are still resisting to some degree. Maybe just a little bit of general information on what was the main aim and whose brainchild is it.

Mr Maurice Poirier: I'll answer that and I'll ask Dr Wideman to provide further information afterwards.

There are two main reasons why we introduced this document, the first one being quite simply one of accountability. As Charles mentioned a while ago, this document is formulated in terms of outcomes, that is, what we expect students to achieve and to be able to demonstrate clearly, so that there would be a basis for reporting back to teachers, the students themselves and their parents and school administrators.

The second reason was that the elementary school program, at least up until the end of grade 6, had not changed in this province since 1975, and that is almost 20 years ago now. I think it's fair to say that the world has changed quite a bit since that time. We've seen the introduction of new technologies. We've seen the world economies change. We've also seen progress in the research that shows how children learn. Therefore, it was time to revise the school program.

We organized the common curriculum by three-year intervals to make it match with the divisions that are established for the school system and also to make it coincide with grade 9, since we were also at that time introducing the program in grade 9 with no levels of difficulty.

The trend towards outcomes-based education is a fairly general one, and in fact, if I may quote from a document that we've recently received from British Columbia, where that particular province like Ontario is moving to an outcomes-based approach—I'll table this document with the clerk afterwards, if I may quote from it.

The Acting Chair: Do you have additional copies available for the members of the committee?

Mr Maurice Poirier: I can have additional copies this afternoon. I have them in my office.

This is a document from the province of British

Columbia entitled The Intermediate Program Policy, Grades 4 to 10. It was issued last month. Under the section called "Evaluation and Reporting," the document says the following:

"The provincial curriculum identifies what students are expected to learn in terms of learning outcomes. These provide the criteria to evaluate and report on student performance. Reporting is ongoing and is carried out in a variety of ways. It helps students and parents understand what students are doing well, what difficulties they are experiencing and why, and what might be done to improve their learning."

I quoted that simply to illustrate that certainly we're not the only jurisdiction that has moved to an outcomes-based approach, because it's an approach that really is fundamental to any accountability we would want to have in a system, because without what you expect, you cannot measure it.

I'll ask Dr Wideman now to provide some additional background information as to where the research came from and what consultation was carried out prior to the document.

Dr Ron Wideman: The movement towards outcomes-based approaches is fairly widespread in the developed world at this point, in England, Scotland, New Zealand, Australia, parts of the United States and Canada. It's designed to increase accountability, as Maurice said.

There was a great deal of consultation that was conducted in the early 1990s right across the province, with input from educators, from the public, from industry and from labour, which indicated a widespread wish for stronger standards for a common set of outcomes to be established for all students, to increase the level of education for all students, and the common curriculum came out of some of the basic messages that came from that consultation.

1040

Dr Pascal: On the comment that some teachers are concerned by whatever, my experience, which is not extensive in terms of travelling around the province in the last 10 months since I assumed this portfolio, is that there's lots of support for the notion of common curriculum, there's lots of support for clarity and there's lots of help offered about making the document clearer, which is why the minister launched it as a work in progress.

But teachers approximate the normal population at large and change is difficult for a portion of any population. Doing things differently as a result of the common curriculum, which it will necessitate, is disquieting and uncomfortable for some. But with respect to the common curriculum, their involvement before and their involvement during its development and the revisions that are currently being made, I think, mitigate against any major concerns that I've heard. There is a little bit of concern, but I think it's quite limited.

Mr Villeneuve: Okay. The auditor did have a look at this curriculum and the recommendations were not direct. There were some responses and some reflection, but it was somewhat vague. Maybe the auditor could—at least my assumption was that in your report on the common curriculum, you had no yardstick to go against or whatever. Could you just further explain your thoughts on what you've seen in your assessment of the curriculum?

Mr Peters: I'll make some opening comments and then turn it over to Gary and his staff, who were working on this more directly. The basic comment, the thrust of our observations really is along the lines that the common curriculum was a ministry initiative.

With the multiplicity of players, particularly the school boards which have other elected officials in the picture, it is a fairly difficult matter to implement right down to the grass roots in the present way our educational system in the province is organized. It's really quite a concern. The concern of accountability that Dr Pascal has brought up several times is right there.

I think we have heard yesterday, and many times, the response that all that is left that the ministry can do, very often, is persuasion. Yet under the act, the ministry has the responsibility to ensure quality education for all the students in the system. The basic question on the common curriculum is, can it be achieved effectively in the way we are currently organized to deliver education to students? That is the overall thrust of our concern. If there are some more details, Gary, go on.

Mr Gary Peall: To characterize all our recommendations as vague is probably correct in the sense that we don't want to handcuff the ministry into specific courses of action which require a fair bit of expertise on our part to try and dictate. We don't have that expertise or the time available in an audit or study of this nature to be that specific.

That's really why there is that vagueness there. We aren't in the business of trying to say what should be taught or how it should be taught, only that once you decide what should be taught, how does that get implemented.

Mr Villeneuve: I was concerned and I'm not sure how accurate it was, but it appeared that students coming out of the province of Quebec were more knowledgeable. I don't know what is the right verbiage to use here, but there were some yardsticks and some measurements taken, Ontario and Quebec students, and apparently Quebec students had a broader knowledge. Could you comment on that? Is this partly why the common curriculum came in? There's got to be a reason.

Dr Pascal: If I can just start off, first of all, the common curriculum is a three-year implementation process. I have every expectation that the manner in which we are involving the system in the process to revise the document, and the manner in which our regional offices work with the school boards, that moral suasion—and again being transparent about standards and the results of testing against those standards providing trustees—is going to go a long way to satisfy the issues of accountability, recognizing that we're still not there. We still don't have the kind of tight accountability framework that we hope to have as a result of some discussions with the learning commission and the Provincial Auditor through his activity on legislative frameworks.

In the issue that you're raising about Quebec students, you're probably referring to results that came out I believe in mid-December from the mathematics results from the school achievement indicators project, which is a pan-Canadian activity to again set and measure standards and then provide information back.

There were results. Comparing the results in terms of one province to another is tricky business, but those who look at the data will draw certain conclusions. The conclusion you drew is a legitimate conclusion to draw. I'd perhaps like Maurice to explain in more detail what those results mean.

Mr Maurice Poirier: Mr Villeneuve's question is relating the common curriculum with the results of that national math test, if I understand it correctly. When the test was administered, this curriculum was not in place, so in fact that's a good reason for introducing changes to the curriculum.

I think what we got in December was a validation that something was wrong, that we had to do something. We have every expectation that the common curriculum's outcomes in the area of mathematics in particular will be implemented. Given the results of this national test, we're well aware that school boards are taking the results very seriously and they are indeed focusing on mathematics.

At the release of the national results, Mr Cooke announced that he would be convening a symposium of sorts some time early this year to focus on mathematics achievement because that is of grave concern to everyone involved in education, I would say, publicly. Therefore, elements of the common curriculum will be examined to see how they could be used to improve our own performance in such tests in the future.

Dr Pascal: If I may, and if you've had enough of an answer I'll cease and desist, but I just wanted to add something about the utility of that kind of pan-Canadian testing or within-Ontario testing. As we receive the information from the national testing program it gives us, as a ministry, pause to evaluate what some of the differences might be. What are the differences in terms of teacher certification, in terms of who's in the classroom and what qualifications they have? The Provincial Auditor called attention to that as part of the teacher education issues.

What are the per-pupil expenditure differences? Well, between the provinces we're talking about right now, my guess is Ontario's per-pupil expenditure is a lot higher than Quebec's. That's an interesting issue to explore in terms of whether it's money or whether there are other variables at play. It gives everybody information about what to do to look further.

We're going to get a very detailed technical report from this first school achievement indicators program testing in math in a couple of months and it will give us a lot of very specific information about what the results mean.

In addition, the Council of Ministers of Education, Canada, has also launched a curriculum comparability examination. We're going to be looking at the curricular differences across the country against those standards so that we'll be able to get information about who's doing things differently so that we can take the best practices and bring them into Ontario or sell our best practices to other provinces. "Sell"—that has a nice ring to do it.

In addition, the minister, as a result of the SAIP results in December, is going to have a mathematics symposium in the spring to bring all the stakeholders in Ontario to begin unpacking some of the issues that I've just mentioned to see what's at play and what changes need to be made.

Mr Villeneuve: I don't know if it's negative or not but a teacher I know suggested that within the common curriculum students basically go after, say, the multiplication tables in grade 6 as opposed to previously it was done sooner. Is that right?

Dr Wideman: There are references to the multiplication tables in both the outcomes for grade 3 and for grade 6. It's indicated that by the end of grade 3 students will make simple calculations in their heads and know basic facts by memory, such as the multiplication tables to six times six, and by grade 6 to have moved to 12 times 12. So it's throughout the early grades.

1050

Mr Villeneuve: Okay. It was difficult for me to understand. This person said that grade 4 students would be exposed to the multiplication tables and be expected to know them completely, whereas now it looks like maybe grade 6. So it's an ongoing—

Dr Wideman: Yes, it's an ongoing process.

Mr Villeneuve: Thank you.

The Vice-Chair (Ms Dianne Poole): Thank you, Mr Villeneuve. We'll now go to the government side. First we have Ms Haeck, and then Mr Malkowski.

Ms Christel Haeck (St Catharines-Brock): One of the comments, Dr Pascal, that you made in your presentation was on page 7 around accountability. It's obviously what we've all been talking about. But you're talking about setting standards now for the next few years, and I think there are probably a few parents right now who are wondering what's going to happen to their child in the interim.

I'd call myself someone who is a graduate of the Robarts plan, and I can say with all honesty I wrote the first and last new math departmental in the province of Ontario. I was bell-curved, like I think mostly everybody else was. There are a few people nodding, saying like they went through that wonderful experience themselves.

But I think there are a lot of parents—I don't happen to be one; I don't have children, but I look at my niece and nephew, and my sister and her husband are really concerned about, let's say, the experimentation. People sort of see that, well, we went through this plan and now we're going through another plan. So what happens to those people who are not part of the plan, who are not going to be part of that standardization, who are not part of the current common curriculum you're talking about, as it's coming in? They're not part necessarily of these testing modes; or maybe I'm misconstruing what you're putting forward.

It also leads me to the question which a number of my

friends who teach at colleges and universities have a concern about: the graduates out of the system. When you see what they're writing particularly, or the lack of numeracy skills, it is somewhat frightening. So what kinds of opportunities are there for remediation, if that is flagged, as the student is going through high school, and then what happens when they get to the post-secondary stream?

Dr Pascal: First of all, I've not heard the word "bell-curve" used as a verb before, but I think it's quite useful. Some of my best friends have been bell-curved.

Ms Zanana L. Akande (St Andrew-St Patrick): The language evolves.

Dr Pascal: Language evolves indeed.

First of all, with respect to the implementation—

Ms Poole: Some of us felt we had it done to us too.

Dr Pascal: Yes, that's right, and to me as well.

With respect to the common curriculum, again a very effective and aggressive implementation plan should deal in some way with the parents who still have kids in the system. Let's also understand that the system it's replacing is not all bad. I visited a school last week where the principal showed me the common curriculum in one column and what he has been doing and adjustments he's about to make, and the transition at that particular school is going to be rather quick.

I saw a third-grader who was not only doing multiplication—more than six times six, which is what the standard will say—but was doing a robotics project using a computer as part of the simulated process for actually developing a robot, which she'll conclude by the time she's in grade 5 or 6.

The changes will vary from school to school in terms of what had already been in place. The fact that there is such variety is a reason why consistency around outcomes in the common curriculum is appropriate.

But you've raised a larger question of lifelong learning. That is, for the students who are on their way out of the schools, what happens to them, for those who didn't have clear standards? The fact that there haven't been clear enough standards in some areas doesn't mean they couldn't have reached those, but you're talking about for those who may not have benefited from a tough-minded devotion to reaching those standards.

By having one ministry where three former ministries have been developed, we now have a policy and program opportunity to look at where the cracks might be. We can look at the relationship between the exit standards of a high school student, the prerequisite opportunities and needs for a college student and see what problems arise from a gap in terms of what someone leaves one institution with and arrives ready to go or not ready to go at another kind of institution.

We've got projects related to prior learning assessment, to give people credit for what they already know rather than having them take courses all over again, which is costly for the taxpayer as well as costly for the emotional reserves and the financial reserves of the lifelong learner.

We have a school-college project which is designed to take the articulation agreements that exist between high schools and colleges around the province and do a systematic study to see where the gaps are.

We also have post-secondary institutions such as colleges and universities around the province—not all of them do this—where there's diagnostic entry-level literacy testing. Most of it's voluntary. It allows some self-evaluation and institutional support for students who are deficient.

We have a system right now—as a matter of fact, we don't have an educational system, we have systems of education. What we have now is a readiness on the part of the stakeholders in our systems of education to work together in ways they have never worked before. The results of this kind of cooperation in the last four or five years have been extraordinary.

It's far from perfect. We don't have an educational system yet in terms of how all the parts interrelate in a dynamic way for the sake of the lifelong learner. There are still many obstacles in the way, which you've implied through your questions, but the potential for continued movement to solve these problems is far greater with a ministry of lifelong learning than it was when we had three separate ministries.

Ms Haeck: You are offering the parents of high school students out there some hope I think, because very clearly there is some concern about what is happening. Obviously, you've heard and I've heard what is happening, and people are responding well to the fact that there will be some standards.

If you're suggesting that the schools are responding by adjusting some of this to the current students, I think that is highly appropriate and will definitely make sure that parents feel some sense of comfort that their child will not somehow fall into this abyss.

I would like to turn to page 9 of your presentation where you talk about technology, education and equipment renewal. I will indicate to all here that I did sit on a college board. I sat on the Niagara College board for three years, and discussions around technology definitely were a big issue in light of the fact that registration had fallen off during those mid-1980 years.

It also raises the point of how the different ministries work together even at the high school level, in particular around technology and the requirements around apprenticeships. Children still don't tend to be encouraged to get involved in apprenticeships at an earlier level.

I have a German background. Both my parents have apprenticeship certificates. So I have a personal interest. I just don't see the kids necessarily being channelled into some of those technical areas where they could do very well in life. How are the different aspects of your ministries working together to make sure that this program reflects the needs out there?

Dr Pascal: Let me start and then I'll ask Graham Carr to my right to fill in.

You're quite right. There has been lots of worry about the post-secondary choices in our country and the need for a major reinforcement of economic renewal objectives, a demand that we have a better mix of technical

people. We have a supply-side problem with engineers. A productive society is going to require the right number of engineers, the right number of technologists, the right number of technicians. It can't be top-heavy with too many engineers. For every engineer, we should have probably about seven or eight technologists and 15 or 20 technicians. The educational system has to provide that and the supply side has to respond.

1100

What's happened in the school system around technology, as you know from the auditor's report, is the presence of several vehicles to reinforce some innovation and experimentation, along with the Common Curriculum, with a view towards having technology integrated right across the curriculum in a very imaginative, project-oriented, problem-solving way.

The student in the third grade of elementary school to whom I referred earlier was in fact a product of the innovation that's begun in the system as a result of some of our projects. That's all building up in an inductive way, by example, towards giving us an opportunity to put back into the system, not in as timely a way as the Provincial Auditor would have liked, but our perspective is a little bit different in terms of feeding the system so that there could be some innovation in this area. But in very short order we will have some very good guideline materials in this area. But perhaps, Graham, you want to—

Ms Haeck: Whoever you're directing the question to, could they also deal with the question of women entering the non-traditional trades. You mentioned the third-grader as being a female, which I take great heart in, but realistically it is still one of the major challenges. You see in Europe, in particular, that women have definitely had access to a range of specialities, be they draftpersons or what have you. That has not happened on this side of the water and I have no good explanation for it. I hope that will be addressed.

Mr Graham Carr: Essentially in the technological education program there are two main areas, one of them to address short-term issues and one of them to address the more long-range issues which you have mentioned. The program in The Common Curriculum is to ensure that all students leaving school have a technological background and have a technological competence by the time they leave secondary school. That is obviously long-range because it starts with children who are already in the system at the early grades and will be accumulative as those children come through.

The more short-range was to address the very immediate issue of how we provide the workforce—and when I refer to the workforce I am referring not just to apprenticeship programs, but to anyone going out into the workforce, whether it's post-secondary or post-university type of work—how we address ensuring that people going into the workforce do have the necessary technological skills that are required nowadays. We don't know what those jobs are going to be. They're changing on a continual basis, and the old programs were in the secondary schools for the very specific skilled trades. They were designed primarily for males, because they were the people who were going into the skilled trades in the 1960s and 1970s when these programs were developed.

The broad-based technology programs which we're now incorporating and which are being funded through the technological education program and equipment renewal fund are for every single student in the school, regardless of post-secondary endeavours. We are therefore looking at skills, rather than being very trade-specific, as transferable skills that students can use regardless of the eventual jobs they go into.

We're trying to change the image of technology with these programs, by getting away from, if you like, the machine shop type or grease monkey type automotive program. Many of these programs that you will see have more of a lab approach than they do a shop approach. By that very nature, they are attracting students who would not normally have gone into the programs in the past.

When we look at the enrolments of these new programs, we're seeing, in some cases, 35%, 40% female enrolments in the programs. We're seeing enrolment increases overall in the neighbourhood of 200% to 300% over the old programs, so we have been very encouraged by what has happened and we are developing the curriculum now for these programs, based on the successes that we have had over the last three years in their implementation.

Ms Haeck: That sounds very encouraging.

The Vice-Chair: I apologize for interrupting. There is about five minutes left and you have three colleagues on the list. You are free to use the balance of time, if you choose.

Ms Haeck: No, I understand everyone's got questions, so I will yield my time to them, but we can probably have a conversation in the hall about some of these points.

Mr Gary Malkowski (York East): I'll be brief. We know that technology is changing very rapidly in the world, so it's very difficult, I would imagine then, for a curriculum to reflect the changes in technology, because they're happening so quickly and I know it's tough to keep up. We understand that. I'm surprised. Some of the colleges that have talked to me about technological changes on average are saying that every three or four years they're looking at upgrading their equipment because of the changes that are happening so quickly, so we're seeing that at the post-secondary level.

With that as a background I want to ask, teachers in a broad-based technology have these materials available for them, and resources that are coming from private industry. What kinds of options do teachers have to include some of that in a curriculum so that younger people then can be more adaptable to some of the changes that are happening in technology and sort of conflict resolution and how to use some of the technology that's going to be used in their life in their future occupations? What kinds of things are you doing to include that in the common curriculum? Textbooks and other kinds of equipment and those kinds of things, what kinds of changes are you seeing in that? Because I know again there are many changes and you're going to have to upgrade and there

are costs involved in that. I'm wondering if you can give me a sense of some of that.

Dr Pascal: Let me start, and again I'll draw on my limited but interesting and, quite frankly, exciting experience in the last 10 months. I visited probably about 40 or 50 schools in the last 10 months. The most recent one was a visit to an elementary school. I am quite amazed and quite pleased with the number of computers and the amount of computer literacy at all levels of the system that is out there.

I made reference to a third-grader. It'll be the last time I use her as an example, but she was displaying, in my way of thinking, the kind of generic skill orientation that has to be part of dealing with the technologies. She wasn't using a classroom robot; she was using a computer to simulate the development of a robot. I think there's lots of experimentation that's taking place.

At the heart of it is the computer and there are lots of exciting relationships being established with other types of institutions; elementary and secondary schools, with the colleges, in terms of shared resources. We're no longer in the era of rugged individualism where an institution can go it alone. New partnerships have been forged where you have college teachers in leading-edge technology programs providing professional development for teachers in high schools and the elementary schools, shared equipment, and some of those partnerships have shared equipment opportunities with the private sector.

That's kind of a preliminary response based on what I've seen just in the last few months, and perhaps Graham can add to it.

Mr Graham Carr: Certainly. The criteria for the technological education renewal fund is that the equipment must be long-lasting. In other words, what we're trying to do is change from the type of equipment that used to be in the schools, which was essentially production equipment on which students were trained, into equipment which simulates what happens outside. Where students do want to go into a particular field to learn career skills, they do that onsite, on the job, through cooperative education programs, school-workplace apprenticeship programs, so that the students are learning on updated equipment in the field, or in a community college, rather than in the school, so that we're not spending large amounts of money in the school system on production-type equipment. In fact, if an application came in for that type of equipment, it would be rejected.

1110

The Vice-Chair: The government time is up and we'll go to the Liberal caucus. Mr Callahan.

Mr Robert V. Callahan (Brampton South): Partially, the reason I got into provincial politics and ran in 1977 and 1981 against one of my illustrious neighbours, who was then the Minister of Education in Brampton, was because of the Hall-Dennis report, over which I've had great arguments with people who are teachers. I'm a lawyer by profession, but some teachers say Hall-Dennis was good and others agree with me that it was a disaster. We ruined one entire generation of kids with that process in that we went from an absolutely superb educational system—and I have to tell you how I come by this.

I came here from the United States in 1954 to go to university. They were at the stage of Blackboard Jungle with knives to teachers' throats and so on in 1950. In Ontario, every one of the schools in this province was like something right out of a scene from—I'm trying to think of the lady—in any event, they were par excellence. They were much like private schools in the United States.

Suddenly, the Hall-Dennis report came on the scene and it was kind of Dr Spock saying, "Do your own thing." You had people running all over the classroom. You couldn't flunk a kid. That was an absolute no-no; you might throw their nose out of joint. The net result was that kids kept getting moved from one grade up to the next one and they hadn't even learned what they had to learn in the grade below. We wondered why these kids were dropping out or why we found an inability to spell, to write.

I feel good about going back to basics. When I talk about this, people often say: "Why are you a Liberal? You should be a Conservative." But I have very strong feelings about basics.

I can remember my wife and I confronting a teacher with the question of why my son had to figure out the times tables as opposed to memorizing them. I always thought what was good enough for me when I learned them was you learn the times tables; you learn the basic building blocks to be able to compete in the world.

I really found it a staggering time. Thank God I didn't have to go through that system. Maybe that's part of the reason why we've identified so many kids who are having difficulty in learning.

Mr Tim Murphy (St George-St David): It's the return of the inchworm.

Mr Callahan: In my class you had the bright to the not-so-bright but you didn't have these kids totally without the ability to achieve. A lot of that has to do with our changing world but I'm pleased to see that there are changes taking place. I think part of the problem is that we are now trying to accomplish the reverse of what happened in 1981. If I'm correct, that was around the time of the Hall-Dennis report. Was it 1977?

Interjection: It was 1967.

Mr Callahan: It goes even beyond that? All right. I remember the reason I ran was because the gentleman I was running against was the Minister of Education and I figured I had something to say and wanted to say it.

Mr Murphy: You're off by a decade.

Mr Callahan: Before I ask my question I should go back to the thing of community colleges too. Community colleges were an excellent innovation at the time but I think part of what they did was—and I'm going to alienate a lot of employers by saying this—they gave them the opportunity to say: "We won't train employees any more. You train them, government. You train them through the community colleges."

I remember that the first job I had, I guess prior to my profession, was that I was trained on a computer by an airline. In those days employers trained their employees

and suddenly, with community colleges—that's the only way I can perceive it—they decided, "We don't have to train them," or the government said, "We'll train them for you." Of course, the problem is that you're training them with tax dollars. You haven't possibly got the ability of keeping up with the massive and swift advances of technology. The net result is that they're training on machines or technological products that are fast outdated.

I'm a great believer in co-op education. I think it should be expanded right through the entire spectrum: university, community college and all the rest of it. I think we have to do more and I'm hopeful that the royal commission on education will get an earful and will take steps far beyond where we were back in 1977 or 1981. I don't want to just go back to that, because time has passed us by. Those things are not going to meet the needs of the kids of this province, I don't think.

I guess what I'd like to know is—and the auditor addresses it in his report—how much observation is done, not just within Canada but outside Canada, in terms of determining what teaching methods and what teaching approaches other jurisdictions are taking to educate children. The reason I say that is I think one of the failings of government of whatever political stripe is the fact that they have all sorts of ministers for everything under the sun. They should have one minister whose responsibility would be to travel the world and seek out better ways of doing things; to bring them back to Ontario and Canada.

Mr Murphy: I know what cabinet post he wants.

Mr Callahan: No, I really believe that, because I think what happens is, jurisdictions tend to try to reinvent the wheel on their own, at taxpayers' expense, and don't necessarily come up with the best alternatives. I really think that would be a full-time position, a very challenging one, for whoever that minister was. Perhaps we would get the best ways of doing things rather than simply looking south of the border and anticipating the problems they get themselves into and trying to avoid them, we adopt them maybe even after they've collapsed in the United States. We seem to have this southern mentality that anything that goes on in the United States we adopt. I'm just asking, what are we doing now or what are we going to be doing in the future in terms of looking outside our own backyard?

Dr Pascal: Would you also like me to comment a little bit on Hall-Dennis?

Mr Callahan: Oh, yes.

Dr Pascal: First of all, your last question about a ministerial post to travel the world, pinpointing innovations and bringing them back—until a few seconds ago, I had never thought of running for public office. I had never thought I had the courage or the incentive. I think you've given us all pause to think about that.

If I can begin with Hall-Dennis, I obviously don't feel comfortable defending a former Minister of Education who may have been the MPP from Brampton, but I would like to defend a little bit Hall-Dennis and maybe even Dr Spock, because what has been said about their work is unfair. Take Dr Spock for an example. Any reading of Dr Spock in terms of the issues of control and providing controls and structure for children would suggest he should not be maligned the way he was with respect to the me-first generation and do-your-own-thing.

Hall-Dennis—being more serious, though I am serious about Dr Spock as well—has been portrayed as absolutely the opposite of back to basics. Hall-Dennis did talk a lot about learning to learn, teaching independent learning skills, teaching a lot of things that I think the learning commission probably heard in spades in terms of lifelong learners needing certain generic skills.

Implementation of Hall-Dennis I think is an issue. Probably, if we talked about Hall-Dennis as an innovation and we talked about implementation, we would be back to the issue of accountability and who is doing what to whom in terms of the consequences in terms of things like the perception that we've really gone away from the basics. That certainly is a widely held perception. We have some testing data to indicate that there are, as you've indicated, some problems.

Things haven't been that bad since that innovation was implemented, perhaps not as effectively as the authors would have liked. Attrition in the schools is much less than it used to be before Hall-Dennis, but it brings us up to today. It's important to know that some of what Hall-Dennis wanted in terms of lifelong learning and independent learning skills is not mutually exclusive of a back-to-basics curriculum, of the kind of strong, clear, high and relevant outcomes and a curriculum that is designed to achieve those outcomes in a testing program that's also designed to let us know whether it's working.

1120

You can use as many teachers and many classrooms in Ontario or you can use independent learning, project-oriented activities to teach students not only how to get to those standards, being tough on the basics, but also to develop those other skills that Hall-Dennis wanted to see. They're not mutually exclusive. The way it's been implemented and the way it's been perceived to have been implemented suggests that it's kind of an either/or.

With respect to what we do in terms of best practices around the world, we are trying in every aspect of what we do to have a more global opportunity to use information that's gathered elsewhere. We have not been traditionally very good at it in some of our areas. In the area of teacher training methods, which was the specific focus of your question, I'd have to ask Maurice Lamontagne to tell us whether in fact we've done anything global in terms of getting best practices.

The learning commission certainly in all of its areas is trying to basically test the best the world has to offer but it's important to note that the new technologies, where there's a ministry with an interest in acting on what you've said, now don't give us any excuses around travel costs. Through Internet and through the kind of technological access, we can create a community of scholars, we can connect doers who think and thinkers who do and bring to bear the best the world has to offer in all of our policy issues.

Generally speaking, I don't think we do well enough

in our policy development right across governments, not just this government, but in general in terms of the policy-making process in tapping best practice wherever it might be. I don't think we're as good as we need to be and obviously that's a sweeping statement and there are probably lots of countervailing examples.

Mr Callahan: I'm going to run out of time, so what I'd like to say is just one of the examples of looking outside of our own jurisdiction. The auditor raises the question of, number one, teachers practise teaching, I guess you'd call it, the period of time.

In Chicago—and I can speak from Chicago because I have a son at Loyola University who is taking his teaching certification because he couldn't get in here; there weren't any spaces.

Mr Maurice Lamontagne: It's a good school.

Mr Callahan: They're good but he's their first Canadian and they're not quite sure how the whole thing works. We're still trying to iron that one out as to whether he gets to practise-teach in Ontario. We've put them in touch with—as you know, Canisius College does, it probably has 300 Canadians in there. But in any event, in Chicago they tried to tell my son that he had to have an undergraduate course of, listen to this, public speaking and biology. I'm not quite sure why the biology, but the public speaking I think is a very positive statement.

I've said this many times, I think, in other committees that you've been at, Doctor, that it should be a non-credit, mandatory course for every kid in Ontario, or Canada for that matter. If you can't speak and you can't express yourself, forget it; you're a write-off in probably any type of success in this world. It's interesting that they use public speaking as being one of the undergraduate courses because a teacher, in order to communicate, it doesn't matter how bright they are or how intellectually motivated they are; if they can't express themselves, they're useless.

There's an example that struck me, maybe because it reinforces a long-standing belief of mine, as I've expressed that it should be a non-credit, mandatory course, so you can't have some kid saying you're a wimp for getting into debating or public speaking.

There's a good example of it, and I think there are lots like it that we could adopt and reflect in our criteria for teachers. Dr Pascal said we have an awful lot of good teachers in this province but I think, if we're honest, we also have a goodly number of them who shouldn't have had their contracts renewed and who are as difficult to get rid of, as I understand it, as it is to get a judge off the bench. That's another problem that I see. We're talking about different tribunals to deal with judges when they perhaps screw up. Maybe we should be looking at different tribunals to deal with teachers who can't meet the test and are simply there because you can't get rid of them. Maybe you'd like to speak to that; maybe you wouldn't. Maybe you'd like to avoid it like the plague. But I think it's important, and I think any Ontarian who's had children go through the system has seen great teachers, has seen mediocre teachers and has seen ones who shouldn't even be in the classroom but are.

I think that's as much of a danger to young people as a curriculum that is perhaps not what it should be or the accreditation of teachers is not what it should be, allowing people to remain in the teaching profession when they can't cut the mustard. I'm going to get a lot of cards and letters, I know it, particularly from my teaching friends, but I think it has to be said.

Dr Pascal: Again, in the area of tapping best practices, including the fine city of Chicago, obviously we need to ensure, as we think about our challenges, whether it's certification or pre-service or induction or in-service training of teachers, that we tap the best there is. I don't think we do well enough at that.

The Royal Commission on Learning I know has sought the expertise of those who do travel the globe in this particular area. One of our deans of our faculties of education is a world-renowned expert in a few areas that allow him to travel quite a bit, and we tap his expertise as a colleague broker to that information.

The kind of pre-service curriculum and the comments you made about public speaking are something I certainly can understand and appreciate, and again I think the royal commission is going to give us some hopefully bold leadership in this area. If it isn't bold leadership, the minister will have to make a judgement about what's necessary.

As I said yesterday, I believe that in order for us to move on any reform, whether it's the common curriculum or the technology across the curriculum or destreaming or any initiative, the teacher who's already with us has to be given the kind of support that they need and that they deserve.

I agree with you that we have to be more effective in terms of determining what's necessary and providing what's necessary in a very consistent way. As I said yesterday, we have 10 universities offering 11 programs with all sorts of differentiation, as the Provincial Auditor noted, in terms of the amount of practical work they get before they become teachers and variations in terms of what's done in terms of induction; that is, the first year or so of a teacher's life in the board.

With respect to what happens when a teacher or anyone in any profession doesn't do what they need to do, there are mechanisms in place that deal with issues of progress, effectiveness, discipline, progressive discipline, sanction, appeals. I don't have enough direct experience to know whether it works as well as it should work. I know in many areas where I have more direct experience the apparatus is in place but in fact the inertia in terms of making some difficult decisions sometimes is very much an impediment.

I haven't met individuals who I'm prepared to say should be part of a process of termination in the elementary school system, but I know there is an apparatus in place that should deal with it. Whether it's working or not, I can't say.

Mr Callahan: Under the common curriculum and under this change, and as near as you can perceive, will you be able to hold your kid back—you couldn't in the past—without being told you can't hold him back, so that

you make sure they know, they've learned, what's needed in grade 6 before they go to grade 7?

1130

Mr Maurice Poirier: Decisions regarding the promotion of children from grade to grade are very important decisions. It's always made, especially in the case where there's a possibility that a child has not progressed sufficiently to move on, in collaboration with and in consultation with the school principal and the parents of the student concerned so that the decision is made in the best interests of the child. That notion of having a child repeat an entire school year is not a decision that's taken very lightly.

Mr Callahan: I'm not sure that answered my question. Is this different now than it was in the past?

The Vice-Chair: Mr Callahan, perhaps you can pursue that a bit later because Mr Villeneuve's been called away. I propose that the government and Liberal caucus share the next—

Mr Callahan: I'll be happy to move my chair over there and continue on since I've been expressing some Conservative views anyway.

The Vice-Chair: Actually, Mr Callahan, you will get to use part of his time since I'm proposing the next half-hour be split evenly between the government and the Liberal caucus. We'll move to the government side and we have Ms Akande, Mr Duignan and Mr Perruzza, if he returns.

Ms Akande: I'm glad to have this opportunity because I won't be able to be here this afternoon and there are some questions that I have to ask.

It's interesting when Mr Callahan, who's just left, mentions the Hall-Dennis report and Ms Haeck mentions being bell curved. I was involved in bell curving so I guess I'm a good deal older than many of you and I recognize the concern around this.

But the concern is interesting because one of the things that constantly calms me and makes me reassured is the fact that I know the good sense of many teachers prevails in spite of what we do at the ministry and that most children learn in spite of us rather than because of us. Those two things keep me calm, but what is constant around is that the questions that are put, the parents who call Mr Callahan and the rest of us, the people who express concern over yet another change or the previous Hall-Dennis report are people who not understand what is happening, which should signify, for us at the school and for you at the ministry—I'm for ever at the school, it doesn't matter where I'm am, my head is at the school—there is a lot to be done in terms of actually reporting to parents and that maybe, although it is a school and board responsibility, there needs to be something said at the ministry level that makes that clear.

I know that we do report to parents and that schools must report to parents and they always have, but what has been reported or at least the way it has been reported has not been understood. When we talked about employment equity—can I use that as an analogy without beginning a war?—we talked about numerical goals that everyone aimed for 100 even though many of them didn't get it.

I'm not saying we go back to the numerical goal, but parents understood clearly when the child came home and said, "I got 27," and the parent said immediately, "What is it out of?" and he said, "100." If he lived, parents understood that it wasn't good enough. Parents understood A, B, C, D. They understood that. Parents understand language that says, "Not up to grade level." They understand "Above grade level." They understand "Average performance." They understand "Adequate performance."

But I've come, just this morning, from viewing a board that is involved in developing an exercise that goes along with The Common Curriculum and is looking at outcomes of learning—not a new term, by the way. We used to have management by objectives, same difference—and still is talking in what I would consider, from a parent's point of view, vague terminology about how that will be reported to parents. What I am suggesting to you is that perhaps ministries should be involved in making clear statements about how that reporting is done and, second of all, that if in fact we don't do that and boards develop their own general terms, euphemisms which prevent parents from saying, "Aha, he's in grade 5, he's reading at grade 2; my God, we've got something to worry about, or maybe we don't, but let's know about it," it does not matter what we do, because they will once again ask those questions, if not next year, the year after and the year after, and criticize the system, whether it be Hall-Dennis or this, because it has not done what they perceive it to be doing.

Dr Pascal: If I can just begin and then Maurice will take over on another part of the answer.

First of all, I join Mrs Akande in understanding and appreciating, but perhaps not to her level of understanding because of her experience in the system.

I think there is a real problem out there and the unobtrusive indicators that there's a problem are to be found in the number of people who applied for the Ontario Parent Council that Mr Cooke set up; the number of people in my life who know what I do for my day job and my night job and my weekend job who've asked me, "Is there any way I could get on that council?" Usually at the heart of their interest are issues about demystifying the system. The word "empowerment" has different meanings to us around the table, but it's useful here to really make the system parent-friendly.

Some of the initiatives we've launched in the last year in this regard to make it intellectually accessible to a wide variety of Ontarians who happen to be parents are as follows:

The Common Curriculum has along with it a newsletter, not only for teachers but there was an initial newsletter that was sent to parents right around the province. In addition, because many onlookers, as part of the cabinet committee process, including some cabinet ministers who continue to tell me not to speak in edubabble—and I'll bring some buttons for members of the committee so that when you wear them I'll be reminded that we need to simplify our language. We developed, in response to complaints, the kinds of complaints Mrs Akande has referred to, a plain-language version of the draft Common

Curriculum.

What we saw happening was that not only were over 100,000 parents interested in getting that plain language version in their hands but a lot of classroom teachers as well. That was really important feedback to the ministry. It was critical feedback; again, unobtrusive feedback. Classroom teachers were saying that the professional version, the technical version, was not as clear, by definition, as the plain language version. I think there is a problem. I think the kind of concern, sometimes passive-aggressive, but a little bit of concern on the part of some people around the province with respect to the Ontario Parent Council, on the part of maybe a few trustees that, "Why would the minister want to have direct access to a group of 18 parents on a regular basis?" is because of the kinds of issues that Mrs Akande has mentioned.

With respect to some of the details in terms of the reporting, there are some school boards around this province—and I won't name a couple of them because I don't want to embarrass others by not mentioning—which I think are doing a superb job providing clear and relevant information to parents about what's happening with their kids. But, Maurice, if you could—

Mr Maurice Poirier: Thank you, Charles. I'd like to pick up on one item you've just mentioned in response to Mrs Akande's question and that has to do with the way in which educators report back to parents on how well their child or children are achieving.

As Charles indicated, we don't always speak as plainly as we should when talking with parents. In response to that, we are compiling best practices in student assessment and reporting and we are preparing to have that out to the system by the end of this calendar year. This is in direct response to that request.

Secondly, we have taken it upon ourselves to prepare a statement on ministry assessment policy for release to school boards within a few months, and here again the intention is to make it clearer, not only for the educational community but for the community at large, what our position is on assessment and reporting back to parents.

1140

One particular project that was announced last year by Mr Cooke involved the development of what we're calling a comprehensive achievement portfolio. This is meant to supplement the reporting that already takes place. Mrs Akande mentioned a while ago just a letter grade—what does 27 mean? That's a very good question. As a parent, I know that a raw mark doesn't mean a whole lot and the computer-generated responses don't mean a lot sometimes, too; they're rather vague.

To supplement that information back to the parents, we will want schools and teachers to have portfolios of what children can actually do—what they are proud of, what they are doing—as a means of communicating to the parents the kind of work that the child is doing. Again, the ties into a better working relationship between the school system and the parents. It's based on clear communication.

Ms Akande: If I could pursue just one in the same area, in the area of reporting to parents, because it's extremely important, it doesn't matter what we do; if they don't know what we're doing, it's criticized. You have referred to lifelong learning in terms of how people are expected to continue to keep updated. Might I suggest to you, without any criticism at all, that using that as a consolation for parents may in fact sometimes seem more like a sentence for their children than an encouragement towards an attitude.

For example, if a parent is concerned about his or her child's ability to achieve at a certain level in grade 8 in preparation for grade 9, lifelong learning, if the child is 16 and still not able to achieve that level, is not encouraging, nor is the fact that we continue to use as examples the exceptional programs that occur, for the most part, in large centres.

You talked about the tremendous programs in technology, and certainly it's our intention that they should occur throughout the province, but I've had the opportunity to travel about the province doing workshops and various things before I came to this place. I know wonderful things may be occurring, but they are less likely to occur in some of the smaller centres. There isn't that same focus on it.

At the Ministry of Education I know that you know we have a responsibility for educating all children, and the more vague the reporting, the more exceptional the program, the more easily the poor and the culturally different get lost between the cracks.

Dr Pascal: That is probably the most compelling reasons for having a results-based curriculum where the standards and the learning objectives are made very clear and very transparent to all parents, not just those with certain educational backgrounds and certain vocabularies, to make it quite accessible. That is really the challenge.

Parenthetically, in answering Ms Haeck's earlier question, to which I gave an answer including lifelong learning, the question that Ms Haeck proposed was one that dealt with parents who have children who are out of the system and who can't benefit from the kind of clarity that you and I and others around the table would like to see, the kind of transparency. What happens to them? I would never use, "Don't worry about it. If you don't get it now, you can get it later, because we're developing this more cohesive"—point taken, but I certainly didn't mean to imply that would be something we would use as kind of an excuse to not tighten up what's happening with kids and students who are in the program right now.

Mr Callahan: I want to get back my answer as to whether or not—and I look at it from this standpoint: A lot of young people are able to get into the schools. Maybe they're born in December. They're what I call an early entry. They're not mature enough necessarily, either peer-group-wise or whatever, to progress.

My experience and my wife's experience—we have four boys and it has been a horror story in terms of trying to talk to teachers, if we felt they weren't ready to go on to the next grade, about leaving them back. Fortunately, of my four boys, for three of them that was not a problem but for my youngest son it was. I thought it was

going to take an act of Congress or I guess an order in council to try to get my son, who was in fact born in December, to stay back a year.

I find that's incredible. You may talk about lifelong learning but if you're not ready to go on to the next level either from an academic standpoint or from a maturity standpoint you should be able to repeat. That's what they did when I was around. Mind you, that was back in the Middle Ages.

The second thing I want to ask you—because I'm going to run out of time and I know the Chair, in her fair way, doesn't call upon you when you answer, so I can get my question out now: Whatever happened to the tests that were done in my day—and that's a long time ago—to determine what aptitudes young persons have, what abilities they have in terms of reading and writing and so on? These were standardized tests. We still do them, maybe not so much in Canada, but in the United States you've got GMATs, you've got LSATs, you've got all sorts of things to determine whether or not you'll make it in a particular profession.

Why do we wait till then? Why don't we give these kids an early opportunity to understand where they're going and what their particular bent is? I know you might say that there are people in the schools who are supposed to talk to them and determine where they're going, and perhaps through the co-op program they'll determine where they're going. But why did we ever get rid of those tests? Was that part of the "freedom from any predetermination" of what was going on? I'd like to know whether or not they still use them in other jurisdictions and how effective they are. Those are my questions.

Dr Pascal: Let me begin with the issue of standardized tests. You've raised a lot of questions but let me begin on the standardized test question. When we made the distinction earlier this morning between standards which provide real clarity about somebody's ability to perform a task or display some knowledge, what we're doing right now with the Ontario testing program is to develop measures of whether a student can or can't do it. In the final analysis, what's important is comparing a student to the learning objective, not to other students. I'll explain what some of the baggage is with respect to standardized tests.

So, for example, the grade 9 reading and writing testing that is in the process of taking place this year and will be repeated next year, the testing for those skills—the very specific ability to do this, this and this—the measures are actually samples of writing. The best way to test whether somebody can write is to have somebody write and develop some very creative ways of developing what we call criterion reference to testing; that is, measures of—if you want to give a medical student a grade on whether they can do or not do appendectomies, do you want to give them a multiple-choice exam or do you want to give them some kind of structured opportunity to take out an appendix with a little bit of structure and some controls and then remove those structures and controls and see if they can actually do it, or would you be pleased in getting somebody looking over your abdomen with a scalpel with a 78 percentile score on a standardized test?

The development of standardized tests is based on taking large samples of people and finding paper-and-pencil items that don't really coincide directly with what we're trying to learn. It's an inferential, kind of an indirect way. It's inexpensive, it's cheap and dirty. You can post them on the wall to see if you've got to go back and do everything all over again, as we did in the old days in Ontario. But they're based on developing large sample sizes and based on the bell curve we've been talking about where students are compared to other students. The items they put in the bank that can be used to test only remain there if they discriminate: spread students across this bell curve. Items that tend to discriminate, discriminate in a whole bunch of ways, including cultural discrimination. The baggage associated with standardized testing is enormous in terms of whether or not it really achieves the kind of outcome orientation that we've been talking about.

1150

So that's primarily the reason there is nervousness about it and why the kind of testing program that Ontario has been developing and the kind of pan-Canadian activity through the CMEC, the council of ministers, is so important. It's more cumbersome, it's more difficult, it requires an enormous amount of innovation, it requires a lot of money, but the consequences of not making this advancement are enormous in terms of the kinds of concerns you have about whether people can or can't perform on the basics.

Mr Maurice Poirier: If I may add to that reply, because Mr Callahan had raised a few questions in his question, on the concept of province-wide examinations, many people refer to, and in fact during the course of this discussion have referred to, what we call the old departmentals. I think it's very important for us to know that those examinations had a different purpose in mind. They were administered at the end of a student's secondary education and they were designed for a very specific purpose. Frankly, it was very late in the process to discover that something was wrong.

So if we're looking at our current assessment program, we are introducing assessments at an earlier age. A perfect example of that is the grade 9 test of reading and writing. We feel that it's important to intervene at a key point in a student's education to see if there are problems. That is not to say there is not testing that goes on prior to grade 9. What I'm saying is that assessments are carried out by teachers in the normal course of their duties and they have to continually monitor students' progress and report back to parents on how well students are doing. But it's very important that we differentiate between what are called standard tests and province-wide tests as they used to be administered.

On the question of grade promotion, the law is permissive in that regard; that is, that the decision is a local one. We do not have a provincial edict that says, "You shall not fail children," nor do we have an edict that says, "You shall promote." There is no such thing. As I said a while ago, this decision is made at the school level in consultation with the parents. Parents always have

recourse when they are not satisfied with decisions that are made at the school level. Parents can talk to school superintendents within the school board and continue the discussion with the local authorities to understand the reasons why the decisions were made and sometimes reverse the decisions.

Mr Murphy: I want to follow up on the last point. You're going to have, obviously, the debate between the principal and the parent. I guess what you're telling me is that at the first level, the principal wins. Am I right in that? The parent has an opportunity to discuss and debate, but at the end of the day the principal wins.

Mr Maurice Poirier: Not necessarily. If the parents don't agree, they should keep discussing. We can't predict what the decision will be. Hopefully, there's a consensus among—

Mr Murphy: Someone makes the decision, at least an interim decision. You can appeal that decision, but I assume that it's the principal who decides. Is there an obligation to talk to the parent in the act?

Mr Maurice Poirier: If you're going to be asking a student to repeat.

Dr Pascal: Without wanting to disagree, and I won't be disagreeing with my colleagues, the intent of Mr Callahan's question and Mr Murphy's supplementary is, how easy is it for the parents' instinct and knowledge of their own child to be brought to bear in terms of issues of social achievement and maturity? I must say from my own personal experience with a son by the name of Jesse, who has a father who I don't think anyone would deem as a wallflower, but in my own judgement someone who entered the system early because of his December birthday, was doing well academically, but there still was a social achievement issue around maturity. We did have the discussion, but still, even for me, I didn't find it terribly empowering. In fact, this sustained itself throughout high school, and then when it was time for this very young 17-year-old to go to college, he was the one who self-assessed two months into college and made a decision that, "I'm really not ready. I'm going to do some more high school courses and do some work and then re-enter college," which he's done quite successfully. So my own experience is that there probably are wide variations around the system.

The new common curriculum has some areas where strictly traditionally non-academic activities will make it easier, I think, in terms of my recall of certain parts of the curriculum, for some of the social achievement outcomes to create a better playing field for the discussion to take place, if I'm not mistaken. But I had a similar experience.

Mr Murphy: I'm probably running out of time and I'd like to follow up on this this afternoon. I represent a riding that has incredible variety. It has Rosedale and Regent Park in it, and in those communities there are parents with a wide variety of interest and ability to influence and access what happens to their children. I'm not worried about your child in the system because I'm sure that you are in there. If the deputy minister comes knocking at the principal's door, I'm sure someone sits up and takes notice.

Dr Pascal: A guaranteed failure for my kid.

Interjection.

Mr Murphy: Exactly, which may or may not be good for your child. Exactly.

Dr Pascal: No, I wouldn't do that one.

Mr Murphy: But on the flip side, there are lots of people who don't have the power, don't have the ability, who have not the skills, the knowledge. As Ms Akande was referring to, the language of the system can just push them away. That's what I'm concerned about in that principal-versus-parent fight. It may be that the parent doesn't even show up, and it's not because they're not interested. It's because they just don't feel any power in terms of the system. That's what I want to focus on.

Dr Pascal: Madam Chair, through you to Mr Murphy, would it be okay if I asked Jack Berryman, who can answer the question about what kind of legislative authority exists to deal with this question?

The Vice-Chair: Certainly.

Mr Jack Berryman: The Education Act gives to principals the authority to promote pupils subject to the final decision of the supervisory officer. In answer to your question, in the final analysis, it's the educator who makes the decision under the Education Act. Normally it's the principal. If the parent disagrees and wishes to appeal it, it would be to the supervisory officer, but ultimately it would be the educator who makes that final decision, as currently set up under the Education Act.

Mr Murphy: To what degree? I assume then boards can establish policies that principals are to abide by or follow, or guidelines.

Mr Berryman: Yes.

Mr Murphy: Do we know if most boards have those kinds of policies relating to promotion, guidelines for principals?

Mr Berryman: I don't know for sure, but I would suggest that they probably do.

Mr Murphy: Does the ministry know, as a corporate entity?

Dr Pascal: I don't know. I will get an answer to that question.

The Vice-Chair: Perhaps that's something we can pursue this afternoon, then. I would like to thank the ministry staff for attending this morning. We'll adjourn till 2 o'clock and start again.

The committee recessed from 1159 to 1412.

The Vice-Chair: Good afternoon. I'd like to open this session of the public accounts committee. First, before we begin our questioning on curriculum and related matters this afternoon, Dr Pascal would like to make an opening statement.

Dr Pascal: Just very quickly, we were asked about local school board policies around promotion and I said I would find out. The question was, do we know what's extant within the system? I said I didn't know. We have done a survey recently. It's just going to take us a little time to put that in summary form. We'd be pleased some time soon to give that to the clerk or to Mr Callahan

directly, whatever is appropriate in terms of the protocol of the committee. I'll leave that in your hands. We would be very pleased to provide a note, hopefully by tomorrow, but if not, shortly thereafter.

The Vice-Chair: Thank you. I appreciate that. We'll start with 20-minute rounds of questions and with the government. We have Mr Duignan and Mr Perruzza on the list.

Mr Callahan: I wonder if Dr Pascal was looking for direction. I would say it would go to the clerk of the committee and he would distribute it among all of us.

The Vice-Chair: Thank you for that suggestion, Mr Callahan. We would ask the clerk if he would distribute that.

Mr Noel Duignan (Halton North): I want to pick up on a couple of points. Earlier, I think Mr Callahan touched on the whole question of teacher training and the number of hours that student teachers spend in the classroom before their degrees are granted. In Ontario, for example, it's about 200 hours or eight weeks. In fact, it's one of the lowest in Canada. I think Nova Scotia and Saskatchewan have about the same amount of time: 200 hours.

I noticed that, beginning with the 1994-95 secondary school year and the 1995-96 primary school year in Quebec, they have a new policy which has recently received approval, that there's going to be a minimum required of 700 hours, which would make it student teachers spending something like 28 weeks in the classroom. I was wondering how that is going to impact on our particular teachers. Will it put our teachers we've trained here in Ontario at a disadvantage? Given that the student teachers are going to spend 28 weeks in the classroom in Quebec, will they actually have a little more experience than the teachers here in Ontario?

I was wondering, is there going to be a policy change or is there going to be some way of addressing that? It's a difference of 500 hours now between Ontario and Quebec.

Dr Pascal: It is a very important point that you've raised and that the Provincial Auditor has raised. As you've suggested, there are significant differences. The short answer is that the ministry and the minister will want to await the advice of the learning commission because of the importance of teacher education to the mandate of the commission. It's also important to know that, as we talk about the issue of practice teaching, the ministry over the years has encouraged as much practice teaching as possible; again, I use the word "encouraged." I talked earlier about the need for there to be more consistency and perhaps controls in terms of the nature of teacher education and what happens in our 10 faculties of education and 11 programs.

The minister and the ministry will await the advice of the learning commission, but there are an awful lot of suggestions that more practice teaching is important. It's also important for us, when we talk about practice teaching, that we also look at not only pre-service but the period of introduction to actual teaching at a school board that's called induction. The induction process: There are also lots of possibilities in terms of what a new teacher should do while she or he is in that first year or two of teaching. What should their load be? Should it be a full load? What should they be doing in terms of professional development and more practice as part of that initial period of orientation? Those are some of the policy issues.

In terms of your question about whether it makes a difference in terms of student outcomes, it's a complicated question. The answer would have to include not only the amount of practice teaching, but certification in various subjects vis-à-vis the standards and the outcomes in the curriculum. Those are a few comments. Maurice Lamontagne may want to add a few comments.

Mr Lamontagne: I'd just like to touch on those two important points that you've raised. On the issue of practice teaching during the pre-service year, which is the year leading to the basic teaching certificate, there has been a fair amount of discussion around what is the optimal length of practice teaching.

When this ministry established the regulation in 1978, it was fairly common at that time that a minimum of eight weeks seemed to be a fairly standard approach to practice teaching. There's no scientific evidence that shows what is the optimum amount of practice teaching. What you have to take into account is that the total program in Ontario is about 32 weeks. If you spend eight of those weeks in a practice teaching mode, you have basically about 24 weeks left to spend looking at the various other aspects.

The other issue was the amount of support that teachers need once they have completed their pre-service program, which is what the deputy was alluding to in terms of the induction period. That seems to be the direction this province would prefer to go in terms of giving support to teachers once they have entered the classroom on a permanent basis.

Mr Duignan: Do you have any idea why, for example, Quebec would have gone from about 450 hours to 700 hours? Have they some research to indicate in fact that this is beneficial to both the teacher and to the classroom situation, having more hours in the classroom? I just wondered why it went from 450 to 700. Do you know?

Dr Pascal: I think the research evidence, as Maurice has suggested, is equivocal. There are a lot of very intelligent policymakers and educators who believe, as intuition would suggest, that practice makes perfect, and given the importance of the teacher in the classroom with children against any curriculum guidelines, you want to make sure that all that's necessary is brought to bear in terms of making sure that teacher is ready.

Maurice has indicated that if you take the total period, pre-service and induction, and look at what we might be able to do, it's important to compare what total amount of practice and orientation might be available, combining those periods, compared to another province. Even in our own backyard in Ontario, there are two faculties of education that are in the process of developing a two-year, post-bachelor, teacher education program. So there are some significant leaders in Ontario who believe, as

does Quebec, that there should be more practice teaching before a teacher is ready.

Those are the possibilities. That's what's happening right now. Again, we're waiting for the commission to give us its best advice.

1420

Mr Duignan: I was just wondering, in Quebec, do they have a mixture like you're talking about as well or is it just a straight 700 hours?

Dr Pascal: In terms of pre and induction?

Mr Duignan: Yes.

Dr Pascal: I don't know much about the Quebec induction practice.

Mr Lamontagne: The last report that was drawn together on this indicated that most of the practice teaching in Quebec was 12 weeks. I haven't heard of any program where they're increasing that. We have a table that shows the various amounts of practice time across the country. There are two other provinces that basically have the same minimum we have. Some are experimenting with longer periods, as we are. Some universities have gone to a school-based program where a lot of the teacher education program is in the school community. Others are experimenting with extended practicums, such as the University of Ottawa, which has a program of 120 weeks for a certain number of its candidates in the program. It's not across the system yet. A fair amount of piloting or experimentation is being done with extended practicums in all our faculties.

Mr Duignan: Given the problems that have been indicated by the auditor in relation to this area and some of the horror stories we've heard over the years, what would you like to see happen? Would you like to see that 200 hours go to 700 or more or somewhere in between?

Mr Lamontagne: As a former teacher, I would be pleased if there was a year of induction, where the support is, where you have mentoring, where you have coaching, where you have assistance from experienced teachers. Spending practice time in schools when you're in a learning situation is not always the reality.

I come from an era, and I think Maurice probably can relate to this as well, when some of us did summer school to get into teaching. We learned how to teach by doing. I don't know if that made us better teachers or worse teachers. This is why there's no evidence to show that more practice time when you're in your pre-service program is necessarily what's going to lead you to become a better teacher. It's how you adjust once you get into the school situation, in a real situation with your own students. That's when you need the support. If I had my preference in a perfect world, I'd like to have someone helping me when I begin my first year of teaching.

Mr Duignan: For example, would that one year of induction be part of the degree program or would that be after the teacher qualified?

Mr Lamontagne: After the initial qualification program; that would be part and parcel of the program that would be a requirement. This is part of the continuum. Once a teacher has completed the pre-service requirements, which is in the university setting at the faculty of education, when that teacher begins to teach, there is a programmed set of activities that involve the staff, the faculty as well, where there's continuous work being done with the faculties and the teacher in the classroom setting.

Mr Duignan: As you indicated, this problem has been looked at, it's been addressed and we are waiting for some results back from the commission.

Mr Lamontagne: This is one of the recommendations that have been in place before the commission.

Dr Pascal: I think what's critical is that while we can all give various options and advice about solutions, it's really important for us to continue to focus on what the outcomes are. A first-class teacher education and training program is one where new teachers feel a high level of self-confidence and readiness to pursue the curriculum at hand, a curriculum which is based on clear, high and relevant standards, and where they behave as and are rewarded for being lifelong learners throughout their careers so that they're always prepared to contribute. I think there are multiple ways you can get there; I just think the jury is out with respect to the right approach, if in fact there is only one right approach. We're all looking forward to what the learning commission has to say about it.

Mr Duignan: Also, finally—I want to give my colleague a chance—Newfoundland is the only province which requires primary and junior division teachers to have a previous university course in mathematics, for example. I understand these requirements also include one course in science and two in English. Is that something you would like to see happen here too?

Dr Pascal: As I said earlier, you're quite right that the issue of effectiveness, that is, outcomes on students, is a function not only of how much time you spend practising but preparedness to deal with the curriculum. I don't want to express an opinion right now about certification, because that will be at the heart of the royal commission's recommendations on teacher education, but I must say that I am uncomfortable, as is the Provincial Auditor, that at the senior level we have individuals who are teaching courses that would be described as the "basics" who are not as well-grounded as I personally would like to see them, and quite frankly, as I've talked to teachers who are placed in the situation, as perhaps they would like to see themselves.

So there are some issues with respect to some subjects that are taught in secondary school and the fact that there are teachers who do I think a superb job, but with challenges because, in some cases, of a lack of grounding in the subject matter. The Provincial Auditor has noted that, as have leaders in teachers' federations, obviously dealing with the same issue.

Mr Duignan: That issue will continue to be addressed by the commission—

Dr Pascal: Very much so.

Mr Duignan: —and hopefully have something done about it, because it's all very well and fine to say the teacher may not have grounding; let's get the teacher some grounding in mathematics or science or English.

It's our kids who suffer if they don't have the proper grounding in those subjects.

Dr Pascal: Issues, philosophical differences, will probably remain as part of the debate in terms of elementary versus secondary. In elementary schools, teachers are teaching children. They're teaching across the curriculum, and they have to be prepared to teach across an integrated curriculum. As you move towards what are currently called the "specialization years," the specialty requirements and the match between what a teacher has in their own background and the curriculum have to be tighter under any system.

In the elementary panel, where things like math and science and technology are important, whether or not we move towards something similar to what Newfoundland and other jurisdictions have is a matter of waiting for the learning commission and probably a matter of debate too in terms of the tradeoffs in the early years.

Mr Duignan: I'll yield the floor to my colleague.

The Vice-Chair: Thank you, Mr Duignan. There is just slightly less than five minutes left, Mr Perruzza.

Mr Anthony Perruzza (Downsview): I hope you put me back on the list in the next rotation. I'd like to request that before I speak, to get back on the list in the rotation.

The Vice-Chair: You're back on the list.

1430

Mr Perruzza: I've essentially sat here listening to this, and it's wonderful. It seems to me that we're sort of engaged in a feel good exercise. We have a lot of very interesting questions and we're all relating our own educational experiences and looking at our educational system from a very sort of subjective point of view, and you, on the other hand, are sitting there providing us with a lot of very good answers with respect to the entire range of education.

But the reality out there is something that's quite different. We have a system that has an unbelievable dropout rate, a system that faces inequities in funding right across the system. From the shoreline at the lake all the way to the furthest town that I've ever been to, and that's quite some way north of Thunder Bay, there are expectations that are being set for a whole lot of people in the system, and in our generalization, especially when we look at critiquing the system, sometimes we omit to say that there are a lot of great successes in the system—and that goes without saying; there are—but there are also a tremendous amount of failures.

Yesterday, I sat listening to many of the questions that related to special education and the SEACs, the special education advisory committees, that are part of every board and the kind of work they do. I can tell you from my own personal experience with the SEAC committee—I know there are a lot of very good people working in the system and working around those kinds of committees who contribute significantly—that I think that what they were set up to do and what they are actually doing is quite different. We can sit here and talk about it all day. The reality is that they don't deal with special education needs in a very effective and successful way, and we can get into some of the specifics on that a little later.

There's very little link between our educational system and real job potential. I don't feel there is enough being done in a significant way to look at that and to have a system that is continually evolving and monitoring and moving and producing the kinds of people, graduating the kinds of individuals with the kinds of skills and so on so that they can insert themselves into a job market and be successful contributors to our society. With a lot of the people who end up going through the system and doing well, there are unrealistic expectations placed on them in their ability to enter the job market and in being successful contributors to our society as well.

As I sit here and listen to many of your explanations, it seems to me that the minor massages we give to the system here and there, quite frankly, aren't good enough. I think what we have to look at, instead of doing skin grafts, is to reach inside and perform wholesale operations because a lot of the failures in the system outstrip the successes; there's no question.

The Acting Chair (Mr Robert V. Callahan): With that, you're time is up.

Mr Perruzza: But I'd like to get back on the list.

The Acting Chair: You can arm-wrestle with your colleagues. I'm sure you will be able to get on. We'll now move to 20-minute rotations, starting with the official opposition.

Ms Poole: I'd like you to put on your whimsy hat for a moment, Dr Pascal, which I think you were wont to do when we were on the select committee on education, and maybe put a little bit of a tease out there. I will preface this by saying that I understand and recognize there's a commission on learning that won't be reporting for another year and that as far as the ministry going ahead in a proactive way with new programs is concerned, you would obviously like to have the benefit of the results of that commission before you do so.

I'm going to put on my other hat, the hat of a parent, and talk about some of the concerns that parents are expressing about the educational system today. Then I'd like you to tell me, at the end of the concerns I've expressed, if you had to write a throne speech which would give comfort and security to these parents that what they perceive to be wrong with the educational system will be improved and rectified, what you would do?

I'll just very briefly itemize four of the main concerns I've heard most often in my capacity as an MPP and also as a parent: first, that the educational system is top-heavy with administrators and consultants; secondly, that our young people are graduating without the necessary literacy and numeracy skills; thirdly, that there is no meaningful evaluation process to ensure that the teachers who are in our classrooms have the skills, abilities and work ethics to be effective teachers; fourthly, that money is poured into our education system, and at $14 billion a considerable amount into our educational system, and with our teachers being among the highest-paid in North America, yet our young people do not appear to be able to favourably compete with other jurisdictions on com-

pleting their education.

Those are the four things I've most often heard. If you were given that wonderful mandate of writing the throne speech, what would be in it?

Dr Pascal: I happen to have a copy. I will be very pleased to give a preliminary response.

The first thing that I would do is I would table in the preamble—I hope you don't mind if I sketch out the throne speech as opposed to writing it as we speak. The section that dealt with economic renewal and social justice would begin with education as an enabler of both of those larger kinds of metagoals.

I would point out that in the context of having a future which is more just, more equitable, safer, healthier and comfortable for all Ontarians, we need an educational system that is founded on very strong twin pillars of accountability and equity.

I would then move, in the next section, to a portrayal of some of the issues that are extant within the system and I would quote almost verbatim some of the issues that you tabled.

Where the money is being spent: I would talk a little about the $14-billion expenditure and what we've already begun doing to try to determine what's happening with those dollars in terms of real, clear, measurable outcomes. It depends on the timing of this throne speech; I don't want to ask for any clarifications.

Ms Poole: We're thinking about a year and a half from now.

Dr Pascal: Then I have to cease and desist. If it were a year and a half from now, the government of the day would be able to talk about major progress in the area of setting high, clear and relevant standards and that everything we do in terms of the expenditure of the $14 billion should flow from the relationship between teachers and students in terms of realizing those.

Anything that doesn't add value to that relationship against those standards has to undergo a rigorous scrutiny in terms of getting dollars away from parts of the bureaucracy, including, I might say, the Ministry of Education and Training, although the throne speech would probably convey by then all that we've done between now and then in the area of special education, as a result of our discussion yesterday.

I would take each of your points and talk about what has been done because I think quite frankly the throne speeches of the future that will appeal to the public at large will be those that have dreams grounded in the reality of what already has been done: if it's a government that has been there for a while, that it be committed to truth in packaging about what in fact has been done; if it's a government of another political stripe, that it catch the previous government doing things right rather than playing the partisan games that are part of the process as we sometimes see it.

I would really talk about what needs to be done against what already has been done in a very honest and straightforward fashion.

The issue of literacy skills: I would talk about the issue of standards and about testing and the issue of evaluation and accountability of all those who work in the system, in terms of providing value added, including deputy ministers as well as teachers. That has to be part of a stronger system of accountability.

I would wonder aloud, maybe by then, about what students should do in terms of evaluating teachers not only in post-secondary institutions but maybe even in elementary and secondary institutions and obviously reinforce what progress has been made about parent involvement in the education of their children.

Those are some of the things I might put in a throne speech and hope that all the recording systems that produce Hansard have gone under for the last five minutes.

1440

Ms Poole: I certainly think that direction would reassure a lot of parents. Unlike most of the public out there and a significant proportion of the media, people in this room understand that a throne speech is general in direction and does not give specifics but is meant to reassure that positive action is occurring and will occur.

Because the throne speech you just delivered was generic in nature, one of the things you didn't get into was the evaluation process for teachers. You touched upon it in that you said it might be an innovative thing to look at some student participation in the evaluation, which I think would be a very healthy thing, but beyond that—

Dr Pascal: I've never taught a class. I've not taught in any permanent way. I did some supply teaching when I was a child-student years ago, but I've never taught a course at the post-secondary level which has not been fully evaluated by my students in a way that was safe for them. The purpose of this is professional development and not punition, but development and growth and lifelong learning for the sake of the teacher, whether she's an elementary teacher or a professor.

Ms Poole: Hopefully, the goal would always be self-improvement, that the teacher could learn. Sometimes the perception is very important, so if a teacher learns that the young people do not feel they are communicating adequately or that they move too quickly or that they don't listen sufficiently, I would think all these things would assist the teacher in improving his or her skills.

I guess what I'm concerned about is that in Ontario today we have many excellent teachers, and Mr Callahan touched on this point earlier. I have two young people in the education system and they're now in secondary school, so they've been in the public education system for some time, and I have great admiration for many of their teachers; I've just found them superb. By the same token, some of the teachers have been quite distressing.

As a parent who, like yourself, can be vocal on occasion to protect the interests of your child, I'm not so concerned about what happens to my children in the system, but for those parents and those students who aren't always able to advocate for themselves, if they have a series of teachers who are not as skilled in communicating as they could be or who do not have the

knowledge base in that particular subject that they should, it could be fairly damaging to the progress of that child. Do you ever foresee a day in Ontario where we will have a system of teacher evaluation?

Dr Pascal: First of all, I have to admit that my direct knowledge of exactly how we do it right now is limited, and I'll ask one of my colleagues to describe the way it works right now. The answer is yes, but if we don't have one that's perfect right now, it has to be constructed in a way which is safe for teachers, which is not something that can lend itself to punition for reasons that have nothing to do with what takes place in the classroom.

I must confess to you that my own experience, limited as it is, in the last 10 months in visiting probably about 200 or 300 classrooms in 40 or 50 schools is a quite hopeful experience in terms of what I see teachers doing. I have seen literally hundreds of teachers bring classrooms alive. I recognize that my visit to a classroom, as in the case of the principal standing at the back of a classroom, changes the environment slightly and in some cases perhaps in major ways. With one exception, I've only seen one classroom that seemed dead.

I realize there may be a selection bias in terms of where I'm allowed to go and what classrooms are shown to me and what schools I'm asked to visit when I ask to visit a school board, but I am not pessimistic about teachers and commitment. There are, as in every profession, individuals who would rather be doing something else and we'd probably rather have them do something else, but there are a lot of teachers who I think are placed in difficult situations in terms of policy and programs, sometimes developed by us, where school boards may disagree or not agree, and implementation is hampered by teachers not getting enough lead time and feeling that their backs are up against the wall.

There are a lot of complicated issues around what may be at play in terms of a teacher not performing as well or with as high a morale as we'd like to see, but based on my direct limited experience, I see a lot of committed teachers who are bringing classrooms alive.

I must say that I do get confused when you hear issues about public confidence being raised about the system. So something's at play. I'm not sure what it is. This is why Mr Cooke wants the royal commission.

In answer to Mr Perruzza's comments earlier, everything is not perfect. If everything was perfect, we wouldn't have a Royal Commission on Learning. If everything was perfect, we wouldn't need anti-racism and equity policies being brought into the schools. If everything was perfect, we wouldn't need violence prevention programs. It's a complicated environment with complicated problems.

Teachers do need evaluation, and they need evaluation that has tough, loving care at the heart of it where they're given good feedback and good mentoring and, most importantly, where there's a gap in skill or knowledge, we all provide support to reduce that gap in a way which is not punitive but growth-oriented. It's a very difficult area, and again I join you in wanting to see some kind of process which is indeed constructive. Sorry for the long answer, but I think the importance of your question demanded it.

Maybe a quick reply on what happens in the system right now would be useful, if that's acceptable.

Ms Poole: Yes.

Mr Lamontagne: Very briefly, to pick up on what Charles was saying, at the school level the supervision of instruction in schools is conducted at the local level by the supervisory officers who are certified by the ministry to supervise staff and supervise programs.

What I would like to emphasize is that the principals' courses that we offer, or that we are involved in at least developing a framework for, and we monitor the delivery of these courses, as well as the courses that are offered to the supervisory personnel, the supervisory officers of the system, stress the importance of staff development and their staff performance appraisals and so on. We have seen a lot of models brought to these courses and discussed among these people who are then out in the system. There's a fair amount of work. Given all the expectations we place on teachers, I think you're quite right in saying that when we look at the majority, we should be quite proud of what they are able to do, given the context within which they work.

Performance appraisals: You can't say that we have been totally out of it. We have not been directly involved in evaluating teachers since the days of the inspectors, when ministry people went out and inspected teachers. We're now attempting to have more self-appraisals done at the local level by the teachers themselves through peer coaching and through mentoring programs, as well as the routine supervision that is conducted at the school level by the principals and by the supervisory officers.

1450

Ms Poole: Thank you. In response to Dr Pascal's earlier comments—I do appreciate the length of them because it is a very complicated and involved area and it's not easy to answer simplistically—first of all, when you mention that you've been in hundreds of classrooms and that you really haven't had a lot of experience of dead time, I would just submit to you that if I were having the deputy minister into my school, I certainly wouldn't put you in with my worst teachers. Maybe that's a very selfish way to look at it but, having said that, I still think the majority of teachers are extremely good.

When you referred to the negative comments of people, allowing for a certain amount of confusion as to why there is such a high degree of pessimism among parents, I think it's got to do with the fact that if you have six teachers and five of them range from excellent to quite good, and you have one rotten teacher, the one the parent talks about is the rotten teacher.

Let's face facts: We do not have a mechanism to get rid of rotten teachers. It may technically, high in the sky, exist, but it is never utilized. In fact, if you're a rotten teacher, you've got a really good chance of being promoted somewhere because that's how a school gets you out of the system. My kids had one teacher who had been in 17 schools in 15 years and I knew why by the end of that year. The entire class failed science. They couldn't figure out what happened at Northern because they had

25 students from Hodgson who had no concept of what had been taught in grade 8 science. We knew at Hodgson and we had a special meeting of the science teachers with the Hodgson parents and explained, and then they were very supportive in giving help.

We didn't talk about all the good teachers; we talked about the one flake who was existing on his own planet and I think could have done irreparable harm to some of the kids if it was a crucial year for them or if they were already having difficulty in the subject.

I guess my question to you is, will we reach the stage where there is a mechanism which encourages the many good teachers we have and makes them feel that their efforts, their contributions and their abilities are recognized, but where despite the encouragement and the training and the evaluation programs which show you that improvement is needed, if a teacher still cannot teach, is there going to be a mechanism to remove him or her from the classroom?

Dr Pascal: I think there is no doubt that we have in society at large, and the schools work within that broader context, a systemic problem in terms of performance appraisals and giving people really clear feedback about what is going well and what is not going well. This is a very difficult thing. Maybe one of the reasons for even imagining the notion of teaching people how to give and receive feedback to whomever, including perhaps even teachers in elementary school—building those skills so that when we grow up as adults we'll be able, on the job, to give people timely feedback which is growth-oriented, rather than working in organizations where things build up over a large number of years, where everybody else in the organization is waiting for the leader to say, "What are you going to do about old so-and-so?" when that individual could have been well-advantaged by some tough, professional, ongoing feedback about how they are doing and what to do about changing certain behaviours.

Those types of performance systems should exist everywhere so that the number of times one has to say, "Sorry, you're out of here," are very small in number because we've done all the proper kind of developmental work and it doesn't get to the point where we have to worry about getting rid of people in a punitive way.

The short answer is that there's too much at stake for us not to pursue the consequences of your question, which is to make sure students have before them well-trained, highly motivated teachers. To have other than that is unacceptable. What is in place right now may not be enough and if that is the case, then we will have to have a stronger and more constructive system. Thank you for the cue.

Ms Poole: Actually, I'm cut off.

The Acting Chair: I'm sorry. That wasn't for you, doctor; that was for my colleague.

Dr Pascal: Mr Chair, I don't know if I'm allowed to say "point of order"; I'm probably not.

The Acting Chair: Sure. Try me.

Mr Pascal: No, I don't want to.

There is a process of decertification and somewhere along the line of the next day or so, if you wish, Jack Berryman, who is the provincial expert on this process, could describe what is done. I see a very large number, more than I would ever have dreamed of, of files coming to my desk for passing on to the minister to set in motion a process for evaluation. It involves, obviously, the Ontario Teachers' Federation, as it should, and appropriate teachers' federations, but there is a process. If a question arises along these lines, Jack could explain how the process works and he could talk to you about the numbers and what happens at the other end. But just on the point of order, there is a process and we can explain it to you.

The Acting Chair: I want you to know that in the nine years I've been in this place, of the points of order that have been raised, I think I've only heard only one legitimate point of order.

Ms Poole: And it wasn't yours.

Dr Pascal: And it wasn't mine.

The Acting Chair: The second thing I would say is that it was always my understanding that the executioner was called Mr X and his name was never revealed. We may call on him. We may want to speak to him.

Dr Pascal: He does not hold the hatchet; he just runs the process.

Mr Jordan: My question is to the deputy minister and in the area of discipline. I personally come from a family of educators and what they're telling me on almost a daily basis, not only my own group but my riding, is that we must return some discipline authority, some power of discipline, to the teaching profession. I would like to hear your comments on that as it is now being adhered to in the school system.

Dr Pascal: Let me start very briefly by talking about the violence prevention initiative that was recently announced, and then there may be a colleague, either on the panel or behind me, who wants to add to issues of discipline in classrooms.

The minister recently announced, as a result of increasing evidence about violence in the schools, a process for ensuring that all school boards—many of them have policies in place and practices and some of them don't—and all schools, for the safety of everybody, including teachers, have violence prevention policies and strategies in place.

He has also set in motion a summit for the first week of March to bring together all the stakeholders, including teachers and students and parents, to look at best practice in terms of ensuring that schools are safe and that there is clarity with respect to behaviour and consequential activity that takes place with respect to behaviour which is unacceptable. This is to ensure a learning environment which is safe and healthy so that the real purpose of schools can fulfil itself, which is learning. There's a lot of attention being paid in the media and elsewhere to issues arising in various schools where violence and behaviour which is unacceptable is at the centre of this debate, and a lot of activity. I don't know if that helps to answer.

Mr Jordan: Really, Dr Pascal, that is how we're dealing with it now that it's reached this stage. We're

having to bring the law in. We're having to do many different things in order to try to control the classroom. What I'm speaking of is the discipline powers that the teacher used to have that have been taken away, which start at a much lower grade, and the respect that the teacher was given so that when we bring the students through the different phases of education, they have learned discipline and learned to respect the profession and the teacher and realize they are there for the purpose of learning.

Dr Pascal: Let me ask, since part of your question relates to power, and power relates to regulation and legislation, if I could ask Jack Berryman to fill in a bit.

1500

Mr Berryman: The Education Act gives to the principal the authority over discipline in the schools. He or she is in charge of discipline in the schools, and the teachers and principal have a duty of care to provide an environment that is safe for the children. That is a legal requirement.

Mr Murphy: A statutory duty of care?

Mr Berryman: Yes, a statutory duty of care; that's right. I'm not sure what you are referring to in terms of the discipline that was administered, say, several years ago versus the discipline that is administered today, but clearly in days gone by it was still the legal duty of care and there continues to be that legal duty of care.

Mr Jordan: I think in all fairness we have to admit that that explanation is not getting to the root of the problem in the classroom. I'm sure you, as well as myself and other parents and people generally, continually hear the teacher saying: "But I mustn't touch the student, I mustn't do this and I mustn't do that." So the student isn't very long realizing, "I have the power here."

Dr Pascal: As Jack has queried, what authority is different now in terms of today versus a couple of years ago? If you're treading into the area of issues that have to do with potential fear of abuse allegations and things like that, then maybe we need to discuss that. It's very difficult, very sensitive, but I'm trying to tease out where the classroom teacher feels more vulnerable, other than the fact that there are incidents of violence that we read about that must present very difficult circumstances for the average classroom teacher. That's why I talked earlier about the violence prevention initiatives which I think will help everyone in the schools, including the teachers. But I'm still having difficulty understanding what authority they don't have now that they had a couple of years ago.

Mr Jordan: It's more than a couple of years. It is, I'd say, in the last probably 10 or 15 years that it has gradually been taken away.

Dr Pascal: Are you referring to the use of the strap? I'm really just trying to understand the nature—

Mr Jordan: That was one of the methods of imposing some law and order in the school. That's going back a number of years, of course. But even if the teacher says to the student, "Leave the room," or, "Go to the principal's office," and that student refuses to go and the teacher goes down and takes him or her by the arm and assists him to the door, that's not allowed.

Dr Pascal: I don't know whether that's allowed or not. The issue of the strap we'll set aside, as a popular opinion is that responding to violence or acting out with some kind of—

The Acting Chair: Is that Dr Spock?

Dr Pascal: Dr Spock does recommend, on page 135, an occasional spanking, yes.

Mr Maurice Poirier: If I may add to the response, Mr Jordan's question relates to two issues around behaviour. One is reacting to inappropriate behaviour. We see that there is an increasing incidence of inappropriate behaviour in schools—your observation is quite accurate—over the last 10 years.

The other aspect is that of prevention, and that's where the ministry has wanted to focus its attention in recent years. One of the ways in which we've done that is by issuing a document called Discipline for Schools, which provides a number of suggestions for teachers in dealing with such problems, and another document called Behaviour, recognizing the need to address this issue not only in a remedial or punitive manner but also in a preventive manner.

I'd also like to point out that our official policy document for grades 7 to 12, OSIS, which was initially issued in the mid-1980s, requires school boards to develop codes of behaviour for their secondary schools. These codes have to be developed in collaboration with the school community, so of course it involves the students, the parents and so on. There again we have a preventive model that would go some distance to prevent this kind of behaviour, but also lay out very clearly what the sanctions will be if students choose to flout the rules.

Dr Pascal: Because this is a terribly important area, it could also be something that maybe the Ontario Parent Council ought to discuss as well. One of the most challenging policy areas involving learning and participation in the activities of a school, from a child's or student's point of view, is what's the obligation of the parent?

We've been talking in the last couple of days about the obligation of the system towards parents and students and all the things that we need to do more effectively in that regard, but what should the responsibility of the parent or guardian be in terms of the education of her or his child, what participation in the academic side as well as the social achievement side is there? It's very tricky. What would be the sanctions, the consequences in terms of non-participation? What are the positive consequences for encouraging parent involvement?

Obviously, schools need to be very welcoming institutions in terms of allowing that to happen, but in the area of mutual responsibility, what do we deserve, as a society, to expect from parents and guardians about what they do in terms of involvement in their child's education. It's a very tricky policy area, but the fact is we have an Ontario Parent Council for the first time that perhaps could get engaged in this kind of discussion.

Mr Jordan: Just to change to the qualifications for the teaching profession, if a teacher has his or her

university degree plus a bachelor of education in ESL, why is it he or she is not allowed to have an Ontario certificate to teach the regular courses?

Mr Lamontagne: I'm sorry. I think I missed part of that question. If they have ESL?

Mr Jordan: They have the university degree, plus they have the bachelor of education for ESL, but they're not accepted. Is that because of the federation or is it a policy of your ministry?

Mr Lamontagne: Policy requires that they have a minimum of a degree but also their full year of teacher training which occurs in the faculty of education.

Mr Jordan: They have that when they're getting their ESL.

Mr Lamontagne: I'm not sure. I think maybe Sharon could explain that.

Mr Jordan: They go out to practise teaching and so on.

Mr Lamontagne: I'd like to ask one of my colleagues if she has some information. Sharon Hibbitt will respond.

Ms Sharon Hibbitt: Are you referring to bachelors or programs in education which are offered at universities other than faculties of education; for instance, Carleton?

Mr Jordan: I'm referring specifically to a bachelor of arts degree in science from the University of Western Ontario, plus a bachelor of ed from Brock University.

The Acting Chair: It's the first bachelor that caused the problems.

Mr Jordan: No, sorry. I've got two kids who went there and they'd kill me.

Interjection.

Mr Jordan: A bachelor of ed in ESL. Is it the federation or is it your ministry?

Ms Hibbitt: I don't think there should be a problem. If a bachelor of education degree is awarded by Brock and it has recommended to the ministry that the person receive an OTC, then he or she should be teaching or should have qualification.

Dr Pascal: The fact that they've done something extra in ESL shouldn't negate anything they have in the BEd. If they've satisfied all those requirements, they should be eligible for recommendation for OTC, the Ontario teachers' certificate. If there's a specific case, we'd be very pleased to receive information about it to give you a more fulsome answer, but based on what you've asked, there shouldn't be a problem.

1510

Mr Villeneuve: I have a few questions. If we talk about exceptional children, would you prefer to wait till tomorrow?

Ms Poole: We were going to deal with that.

Mr Villeneuve: Okay, we'll deal with curriculum. I got a fax from one of my constituents who was very interested in what's going on at this hearing and had some questions on exceptional children.

In the development of the curriculum that you've set into play this fall, how many teachers have you seconded out of the classroom to develop this curriculum? With the 170 or so school boards, how did this come about? Could you give us a little bit of background and what's still going on? I gather it's still ongoing.

Dr Pascal: Yes, I'll ask Maurice to describe the process for revision, how the revision team is constructed and the relationship between that team and teachers at large.

Mr Maurice Poirier: It's important to realize, first of all, that when the document was first developed it did involve quite a large number of practising teachers. Once the document was released, then we put a review and revision process in place that also involved another large number of teachers, in fact the entire community, including business, labour and parents. I'll ask Ron Wideman, who is the person in charge of this review-revision process, to describe the steps we've taken.

Dr Ron Wideman: In the development of the document in the summer of 1992, some 60 practising teachers from around the province came together here in Toronto for a full month in July to develop the first draft of the outcomes under the four core program areas. Later that fall—I think it was early December—the draft of The Common Curriculum was reviewed by about 20 organizations and groups related to the education field before the document was released in February.

The review process that's going on now involves inviting educators and the public to respond to The Common Curriculum, to the current document, based on school use, based on their experience with it and to submit those comments in writing to the ministry.

We've set up a review committee that consists of seven practising educators named by the Ontario Teachers' Federation and its affiliates and supervisory officers in the province and ministry personnel, led by Dr Lorna Earl, who's a research specialist with the Scarborough Board of Education. That review committee is doing a full-scale qualitative analysis of the responses we're receiving. We've requested responses through the In Common newsletter and through a number of other vehicles. That newsletter goes to some 300 organizations beyond the school system, and the invitation has been repeated in a number of different ways and will be again.

That review committee will be looking at all the responses we receive and by June of this year we'll put forward recommendations for how the document should be revised for the next version that would come out in December 1994.

Dr Pascal: If I might add just very briefly—and in addition to that, it might be useful for all members to have a sample of that newsletter because I think it would bring alive the kind of solicitation of input we're providing, so we'll bring copies tomorrow—there are the Ontario Teachers' Federation experiments in information technology that we have funded which are designed to get teachers talking to teachers about issues such as the changes in curriculum, best practice, "How are you approaching this?" It has been an enormous success. As I mentioned yesterday, to date there are about 4,000 teachers now talking to each other in subgroups and trying to get as much grass-roots input and expertise.

If a classroom teacher says to us in a highly reliable way, "We can't understand these particular learning outcomes," and there are some that really require rewriting because they're not clear, we listen. The fact that we have lots of teachers talking with each other across the province in this kind of area is extremely helpful to the process.

Mr Villeneuve: So there is pretty well unlimited communication, and as far as you're concerned, we're not duplicating efforts here by boards and then by ministry staff and by other people.

Dr Pascal: I don't wish to in any way overplay what we're doing. We're doing what we said we were doing. I wouldn't say it's unlimited and I would say it's far from perfect. There probably still are classroom teachers out there who don't feel connected and don't feel they have a franchise. The population at large and school boards vary in terms of communications and what gets through, but we are making sure that we do everything we can to provide an opportunity for people to give us feedback, but it's not perfect.

Mr Villeneuve: We live in a very imperfect world.

You would have a group of staff from the ministry on this particular curriculum development. Could you give us an idea of approximately how many people you have working on that?

Dr Pascal: Sure, we'd be delighted.

Mr Maurice Poirier: Within my team, which is the curriculum and assessment team, we have a small group that is headed up by Ron which is looking at that. Of course, they are project managers. It essentially involves five people. It's a big task for five people but essentially their responsibility is to coordinate the responses and ensure that the recommendations that are brought forward are indeed reflective of what we've heard back from the community to make sure the changes we bring about are the correct ones.

Mr Villeneuve: Would you have consultants here as well or is it simply staff and possibly people from within the teaching profession in some of the different boards?

Dr Pascal: In addition to the team that Maurice has described, Richard would also have a complement in the French-language area.

Mr Gauthier: Staff at the central office is fairly limited. What I would like to add is that the ministry, because resources are limited for French-language schools, runs what we call a French-language consultative program. The ministry seconds practising teachers from boards, from schools, to go and work with other teachers in schools and boards across the province. This year we have approximately 40 French-language teachers who have been seconded to work with other teachers.

At the beginning of their secondment, these people have had in-service training around the common curriculum and now, in turn, are working directly with teachers in the classroom to help them in the implementation of the common curriculum.

Dr Pascal: I also wish to add two final points. I don't want to add a point that, through you to the Treasurer, would be seen like the deputy minister lobbying for more researchers, because I'm not. The early retirement plan the government has implemented has taken a little bit of a toll right across the ministry, including in some of these areas we're discussing.

The good news is that we're also right now in the process of seconding a good number of individuals to the regional offices who'll be part of our curriculum team as they relate to school boards decentrally.

Finally, it's important to note that, as Maurice has suggested, the role of the ministry staff, which is relatively lean given the importance of this initiative, is there to coordinate, lead, consolidate.

The fact that it's lean has some very positive features; that is, we can't do it alone. Even if we didn't want to be strong partners involving the teachers we described earlier, we would be forced to do so. It's a win-win. If you look at the number of people involved in the task, it goes far beyond the staff complement of the ministry.

The Acting Chair: We will now move on to the government. Ms Haeck.

Ms Haeck: I thought Mr Perruzza was on first.

The Acting Chair: He asked for that and then I didn't put him down. That's fine.

Ms Poole: Just on a clarification, I had actually jotted his name down before I left but I forgot to tell you. I apologize for that.

The Acting Chair: You jotted his name down but he was speaking at that time.

Ms Poole: No, if you look at my funny list, he was back down.

The Acting Chair: Everybody has advocated to hear from you, so you're up.

1520

Mr Perruzza: Thank you very much, and I'd like to thank all of my colleagues for allowing me this opportunity. I've been quite anxious for it for some time.

To go back to the point I tried to make earlier about some of the problems in our educational system and what the realities are for a lot of people who have kids in the system, people who are going through it or who have been through the educational system recently, there are a lot of great failures, and we all have a good sense of what they are. To use an Italian saying, dal dire al fare, c'e une mare. Translated: From what we say to what we do, there's a very large ocean in between.

I'd like your reaction to some of the comments I made earlier and then I have two specific questions, one picking up on Mr Jordan's issue of discipline and SEACs, and the other more generally on funding of the system.

Dr Pascal: Mille grazie. I'm not going to say that tutto il mundo e pazzo. Indeed, not everyone is crazy when it comes to pointing out that there are some significant problems. I'm glad I have a brief opportunity to respond to your earlier comments.

In no way today are we trying to suggest with our answers that everything is fine. As a matter of fact, the reason for discussing today The Common Curriculum standards and testing is because of the need for a far greater amount of accountability. If it's taken on a more

positive tone than some would like, maybe it's because some of the initiatives are long overdue and are being well received. Not everything is going wrong with the system. If everything were right with the system, on the other hand, the minister would not have launched a Royal Commission on Learning. The minister, as I said while you were out of the room, would not have launched some very significant anti-racism and ethnocultural equity policies on July 15 of last year. If everything were going well with the system, he would not have seen need for the violence prevention initiatives. There are significant problems out there.

In the context of significant problems, there are lots of good things directed at trying to solve those problems. You talked quite lucidly and importantly about the need for us to connect our future, in terms of economic renewal and jobs, to a well-functioning educational system. Setting high and clear standards, being tough-minded about testing for those results and using those results to improve the system are all designed to ensure that the kind of economic renewal objectives you alluded to are met in the future. Right now there's concern and confusion about whether that's happening.

There are also other projects designed to connect jobs and the transition from school to work. We have a schools-to-work project that we can describe in some detail if you wish, which I think is really important in terms of that transition. There are business, education and learning partnerships cropping up all over Ontario right now. There are three that I know directly, one in Ottawa, one in London and the recent one launched in Toronto, where business people, labour people and educators are getting together to talk about issues of those transitions. We talked earlier about the school-workplace apprenticeship program in terms of providing apprenticeship as early as high school and the need, as others have suggested, for more co-op and experiential activity in the schools.

Not all is well, but not all is broken either. We think the reliability around what the problems are will be strengthened by the Royal Commission on Learning. We think that has been a very positive process, painful in terms of the messages, confusing because some of the messages are not in harmony with all other messages, but it's raised the level of literacy around the province with respect to what the fundamental issues are and we have high hopes that the learning commission will help us address some of the problems.

Mr Perruzza: As you do, I look to the Royal Commission on Learning for some answers. It's my hope that we don't get the same kind of answers and the same kind of activity from whatever they produce as we've got from many of the other reports commissioned over the years: 1985, 1990—I forget the names of those particular reports.

Expanding on that, I'm hopeful, and I think our educational system needs to relate that message to people in this province and in this country. If we're going to be a hopeful people once again, the leadership has to come from our educational system. I don't think it can come from anything else, and you need to lead the charge in that regard. You have a big job ahead of you, and I hope you can do it.

With respect to discipline in SEACs, one of the problem areas for me is our whole disciplinary system. There's a knee-jerk reaction when a kid is a problem kid. It's really easy to expel someone or to prevent them from coming to school for three days, five days, and I believe the maximum is 10 days. I sat in on countless board meetings when I was at the board and this was a problem area of mine, that we reviewed lists and lists and lists of students who were being expelled for five and 10 days. That was common practice. The biggest gift you can give a problem kid is a holiday away from school for five or 10 days to hang around the local mall or at the corner with their friends who have decided they aren't going to go to school. To me, that's just unacceptable, and we need to find a better way to deal with problem kids.

Dr Pascal: I couldn't agree more. As Ms Poole knows, I sometimes like the use of writing letters as a way of reflecting on policy. I wrote a letter many years ago to my own grade 7 teacher. But for the grace of Miss Pond, I might have been incarcerated in places other than universities and colleges during my life.

The intervention of a system and a set of strategies to deal with presenting problems that create some problems for other students or teachers, on the one hand, and how to balance that in terms of what's the best investment for the individual, the child or student displaying disruptive behaviour, is very tricky. That's why, when Mr Cooke tabled his plans for violence prevention and the summit, he was quite careful to also talk about violence prevention in the context of anti-racism, to make sure it's understood that there area lot of things at play in schools that aren't as simple as, "This child's done something and we'll see you later." Where does that student go, what kind of supports are there and how are we trying to harmonize what we do in the educational sector with what we're trying to do in the justice system with regard to trying to have a more preventive kind of investment in terms of what happens when a child is disruptive or, in the case of violence prevention, commits violent acts?

It's a very, very challenging, complicated and sensitive policy field, and that's why we have some high hopes for not just the occasion of a summit on March 5 to deal with violence prevention, but all the activities, the real action agenda that hopefully will flow from that summit. It's easy to set up a summit, but we want to make sure that the best and brightest individuals in the province and school boards who are way out in front in terms of trying to solve these things in a balanced fashion are given an opportunity to teach the rest of us about how we should move in this very difficult area.

Mr Perruzza: I'm going to move on from that one. The special education advisory committee—

The Acting Chair: Mr Perruzza, I don't want to interrupt you, but we have about eight minutes left for two of your colleagues, Ms Haeck and Mr Duignan.

Mr Murphy: Mr Perruzza is a very outspoken individual, but not by anybody I know.

1530

Mr Perruzza: Thank you, Mr Chairman. With some sensitivity to my colleagues, I'm going to move on to my last question, which relates to funding and accountability. We just had this report dropped on our desks, and to quote from the auditor's report, page 65, paragraph 4, "On a per capita basis, this makes Ontario's system one of the highest-funded [systems] in the world." I guess that has to do with whether we are getting value for our money. I'm one of those who believes we're not. An awful lot of money is going into administration rather than classrooms, and I believe that's growing daily. There are some real inequities in our system, and to me that's not a system that is truly accountable. The way our educational system is, I think government renders it unaccountable from region to region, city to city, right across the entire system. I don't believe for one minute that trustees are accountable. If they were, we wouldn't have the diversities and discrepancies in funding across the board. I would hope that at some point we move to make it far more accountable than it is today.

I just did a quick calculation of separate board and public board funding. I believe the Catholic board in Metro is educating 100,000 students in the system now. If you take the equivalent number in the public system, the public system spends roughly $200 million more per year. That's a staggering sum just within the boundaries of Metro. That's something we just can't have. Parents aren't going to accept it and aren't accepting it, teachers aren't accepting it and I find it very difficult to accept, so I hope that's something we can move on.

The Acting Chair: I know you'd like to respond.

Dr Pascal: Only if the Chair and Mr Perruzza would like me to respond.

Mr Perruzza: I'd love to have you respond.

Dr Pascal: I will simply say that at the heart of the education finance reform process are the issues of equity and accountability. On the issue of equity, as you and as the Provincial Auditor noted, there's a fairly large amount of money spent compared to other jurisdictions and, within the envelope, a disparity between, on the one hand, a $4,000-per-pupil expenditure in some parts of the province, all the way to the other end of $8,000 in a place not too far from here. The issue of equity is very real and is at the heart of the options the government is considering around education finance reform.

The other part of it, of course, is accountability; that is, we right now have two jurisdictions sharing expenditures and generating revenue for the $14-billion expenditure. It's critical, as part of education finance reform, that the dollars in the system are made more transparent; that is, what is considered for core funding for purposes of an equitable distribution of resources, and who's responsible for paying what?

Those dimensions of accountability and equity are at the heart of education finance reform, which has had the advice of a ministerial advisory committee. When and how government deals with the options it's considering I can't predict, but it's under active discussion at this point.

Ms Haeck: I want to follow up on something Ms Poole started earlier that related to dealing with a teacher who, in the minds of not only the students but also the parents, isn't really following through.

What I have been able to see, at least within my own family, is a situation where someone has degrees, all the appropriate qualifications, but bombs in the classroom, bombs abysmally, and we're talking in a math sector. It's got to the point within that particular school that the parents don't even bother complaining any more. There isn't anything to say.

That gives me personally some concern. I remember some of my worst teachers more than I remember the good ones. I have a memory of my grade 5 teacher, who probably has gone to the great beyond in the meantime. I hope nobody has that experience, yet I know my niece and nephew have gone through that. There just doesn't seem to be a mechanism whereby a comfort zone is provided, no level of comfort for the parents that this person will find a niche somewhere away from their children.

That's even exacerbated when you deal with the situation of the immigrant parent, who may not feel particularly comfortable in dealing with the language and the culture and has a range of expectations that are very different. Through Citizenship there is funding for something called cultural interpreters in our own area. To what degree are you involved in those kinds of programs? I realize that around the violence issue and the parent council you're trying to deal with some of these questions. In a place like Metro Toronto you must definitely have a lot more of these types of complaints coming to you. How are you addressing them?

Dr Pascal: I'll ask M. Poirier to begin.

Mr Maurice Poirier: In the instance you describe, it's critical that due process is followed if there are complaints brought forward. The act and the regulations do set forth some requirements that need to be met. Of course, we always want common sense to prevail, but because we are dealing with people's employment and dealing with children, we want to ensure that both sides of the story are always kept in mind. I'll ask Maurice Lamontagne to explain what the rules and regulations say around such an incident.

Mr Lamontagne: In situations where the safety and welfare of the children are not threatened—

Ms Haeck: Yes, they're not threatened in that sense. Their educational career might be.

Mr Lamontagne: As we mentioned a while ago, the supervision of instruction at the school level is conducted by the principal and/or the supervisory officer when it's required. In a situation where the problem is pinpointed to a teacher, what normally happens is that the teacher and the principal will meet and discuss the actual problem. If in the mind of the principal this teacher is not really fulfilling the requirements of the duties, there is a due process, as Maurice mentioned, of documenting the teacher's work.

This will usually begin with the teacher and the principal agreeing on a given action plan over a period of time, with some very clear objectives of what that teacher

should be meeting. If these objectives are met over time, of course the process then has basically been met, but if these objectives are not met after a certain period of time, the process continues for another set period of time. When there is no satisfaction, that teacher is liable for dismissal. There are some processes tied in with the federation that have to be followed as well, but that's generally the process that has occurred. In most cases, as mentioned earlier, some of these problems are taken care of at that point. I'm not sure if that answers your question totally.

Ms Haeck: I'll make sure your remarks get distributed to a few people who may then act upon them within their own schools. They think people should know. Right now what they are facing is that they assume they have a no-win situation, as the parents, to deal with the situation. They just feel they're whistling in the wind. More people should feel there is some means by which they can, at least with some constructive end in sight, work through the system.

1540

Mr Lamontagne: One of the recourses of the parent is to ask to meet with the superintendent or the supervisory officer responsible for the supervision of that school.

Dr Pascal: I was just reflecting to one of my colleagues that this is really a very difficult area. The line of questioning this afternoon around sanctions and discipline and whatever is quite important. I was thinking about the average parent and the difficulties that some have expressed in the last number of months to the learning commission, and if those who talked to the learning commission are expressing difficulties in terms of access, there are probably about 100 who would find it very difficult to deal with the system. I was just reinforcing what had been said earlier, the fact that we have to figure out a way of making that far more accessible. It's not enough to give them the guidelines and say, "Here, use them." It's got to have more advocacy as part of the process in terms of enabling them, and that, I think ,is the point you made.

Mr Callahan: I want to follow up on that last statement. Mr Perruzza said that 10 days is the usual, but I've seen 20, I've seen ever longer than that where young people are suspended, and I can tell you they're doing more than just hanging out in the malls; they're getting into trouble.

Most of the boards have now looked at the question of zero tolerance, that a young person is suspended, definitely or indefinitely, as near as I can figure, for various things. There is a new trend afoot which is called alternative dispute resolution and is being used in many of the boards, where groups of students actually take on the process of being the facilitators of that type of process. I know the boards have autonomy and can deal with the students as they wish and can come in with zero tolerance if they want. But I, for one, with Mr Perruzza, think that although that's a sexy, attractive thing to the public because they want violence out of the schools and so on, it's not an answer. I think the answer probably lies in alternative dispute resolution.

Is there any consideration by the ministry to mandate that or encourage that as an alternative to what I see as an overreactive and perhaps destructive type of activity of zero tolerance?

Dr Pascal: Let me ask my colleagues to respond, but before I do, there is something to be said, in the name of prevention, for not just waiting for a major problem to arise but to have in place some conflict resolution mechanism to deal with it, which I'd like one of my colleagues to deal with. There is something to be said for embedding into the curriculum, as early as elementary school, conflict resolution and mediation skills, and some boards are providing some very effective leadership in that regard, to give young people skills that all of us should have in greater measure as adults, and that is the ability to not walk away from conflict but to deal effectively with conflict. That's something that should be taught at the earliest level of school. But to the issue of alternative dispute mechanisms as a way of dealing with issues in schools, Maurice Poirier will respond.

Mr Maurice Poirier: Charles is bang on when he talks about having this as part of the program. In fact, conflict resolution is one of the areas covered in our Common Curriculum, so we have not only encouraged it but are mandating it through our elementary curriculum so that we start as early as possible to work with children to show them that there are other ways to solve problems besides a violent resolution. As was mentioned a while ago as well, we are having a summit to deal with such issues later on this spring.

It's important that those alternatives are considered when talking about conflict. However, there is always the possibility that when all means are exhausted, we have to have recourse to the law. Therefore I'll ask Jack Berryman to describe what is in the act and regulations when we have to go to sanctions such as suspension and so on.

Mr Berryman: The maximum length of a suspension under the Education Act is 20 days—it can be less, but it cannot be more—and you can have repeat suspensions. Where a pupil is suspended more than once, the board is required to provide to the family, the parents and the student, the list of services available within the community to address the problem the student may be experiencing. That is required now under the Education Act.

A principal suspends and a board expels. In both instances, there are appeal mechanisms in place for the parents and pupil to appeal the suspension or expulsion to the board. Suspension and expulsion have always been, as far back as I can recall, the two most severe sanctions that can be administered to a pupil. Children of compulsory school age, that is, up to the age of 16, must be accommodated within the school system.

The change in the length of suspension to 20 days maximum is very recent; that came about a year ago under Bill 4. Prior to that, suspensions were open-ended: The board could set the length of a suspension, so you had some very lengthy suspensions, as you've indicated. But we have tended to tighten that up so that the maximum is 20 days. With more than one suspension, the board is required to provide a list of all the services available in the school community.

Dr Pascal: It's also important, when we talk about

discipline, that we distinguish, under the label of zero tolerance, for those boards that have used that banner and have established that policy, that we're talking about a relatively small number of discipline problems. Most discipline problems do not come under that banner. We're talking about major acts of violence and clear examples of racism for which zero tolerance is applied, not other disciplinary problems.

Mr Murphy: I want to follow up on questions we were pursuing before the lunch break. I'd asked you about whether the ministry as a corporate entity knew how many boards had policies relating to promotion. You talked earlier about it being not a system of education but systems of education, and there is that split of responsibility within the system. You said you didn't know how many. Maybe you do now. I'll give you an opportunity to answer and then we'll go from there.

Dr Pascal: It was just before you arrived, Mr Murphy, in fact during lunch: The good news is that we have done a survey. The less-than-perfect news is that we don't have that available right now, but we'll make that available tomorrow or in the next couple of days to the clerk in summary form for all members of the committee.

1550

Mr Murphy: My bias in education reform and the concept of back to basics is really the elementary system. It's like the old line about Jesuits: If you don't capture them by—well, they said at the age of five, but let's say at an early age. If you don't give them the excitement for learning by then, you've lost them, so my concern is really the focus on those early grades.

As I understand the way it would work, if you have debate between a parent and a principal about passing or holding back, for example, and the parent says, "What the child really needs is a remedial course in reading"—the problem derives entirely from that, and if we could get the child up to a certain reading level, the rest of it would fall into place. How are we, as the provincial regulators of this, monitoring, or do we leave that up to school boards, how many times that kind of failure, the reading and writing and basic skills failure, is a cause of other failures in learning other tasks? How do we assess how we deal with that? Part of my concern is that we want to balance, as a province, central control with local control. One of the things we're investigating here is how many times that means that some things fall between the chairs. I think a lot of people would like to be able to say, "What's the answer to that?" but we have to leave flexibility for both the local boards and the teacher in the classroom to deal with that. I'm wondering if you could comment on that issue and help me out.

Mr Maurice Poirier: The evidence is overwhelming that the ability to read, that is, linguistic ability, is key to all learning, so you're quite right in focusing on that particular area as a key area for decision-making.

In terms of the way the way schools operate, our expectation is that before schools get to the point where they have to make a hard decision on whether to retain a child or recommend that a child go on to the next grade level, sufficient opportunities were in place so that not only remediation but identification of problems would have taken place.

To put it in very concrete terms, I hope that if the question arises in June, there has been ample discussion with the teacher, the parents, the principal possibly, and the child during the course of the school year and that there be different interventions to help remedy whatever problems there would be. It's the whole notion of early identification. The earlier you act, the better your chances are of setting things on the right course.

What we're doing in terms of the provincial scene is setting standards for language. As Charles mentioned in his opening remarks yesterday, we will be releasing draft language standards next month, and we're looking for comments back from the community on that.

Mr Murphy: Can I stop you there? I'm not up on eduspeak, so I've got to figure out what this means. "Language standards": What does that mean? I am now a parent, so I have a great vested interest in this. If I want to explain this, what am I saying?

Mr Maurice Poirier: Very plainly put, when we talk about outcomes in The Common Curriculum, that says, what do we want the children to do? When we talk about standards, it's meant to answer the question, how well are they doing it?

Dr Pascal: If we were to take a learning objective in the area of language writing and we had a third-grade standard that said hypothetically something like: The child will be able to read a chapter in a certain-level book and be able to write a three-paragraph précis with no syntactical or vocabulary errors and no errors in punctuation. It's a real clarity about what standard is expected.

The importance of the results-based orientation, in terms of your question, is really important to reflect on. I predict, in terms of where it's going to lead, that you're going to have far more individualized education in the overall context of a curriculum similar to the Common Curriculum. A child in grade 3 is going to get very specific feedback about whether she or he can or can't do this particular area and they're not going to be held back because they can't do this particular area; they're going to get a remedial loop just to bring them up to standard with respect to that area.

Over time, we're going to see that the system, the way it works right now, which holds time constant and varies success, is going to flip-flop. We're not going to allow success to vary. We're going to hold success constant and allow progress to the objectives to vary student by student. As they get specific feedback about a particular area they're not up to speed on, they can get some feedback and move up to it. Does that help?

Mr Murphy: I appreciate that. It helps. I want to focus on two things and then let you comment.

You say you're releasing new draft standards shortly. Those are elementary draft standards, I assume.

Mr Maurice Poirier: For grades 3, 6 and 9.

Mr Murphy: I wonder if you could say how they're going to be different from what's there now. Maybe there's nothing there now.

Mr Maurice Poirier: That's the answer. There are no

standards now. We have to start with something.

Mr Murphy: That amazes me.

Dr Pascal: What grade is your child in?

Mr Murphy: She's not there yet. She's 11 months old. She's talking all the time but not saying anything; some say a perfect politician's daughter.

The Vice-Chair: Mr Murphy would like to make it perfectly clear that he wants the system fixed by the time Emma goes to school.

Mr Murphy: Before she gets there. Exactly.

Mr Maurice Poirier: If I may say, JK will be in place by that time.

Mr Murphy: I want to go back to an issue we've touched on a couple of times in relation to this, and that's compensatory grants. One issue we haven't talked about much here, though you touched on it, is the parents' role in making the education environment work—obviously, the more the parent can assist the child, the better the educational performance is going to be, subject to other constraints—where there are schools and environments that make that more difficult for parents because they both need to work or there's a single-parent environment or any of those other factors. I would tend to think that arises more where you have schools that need compensatory grants. I have a riding that has that area. As I said earlier, it has Regent Park and other areas where compensatory grants are allocated.

That feeds into your standards question, because in order to get that remedial work, I suspect that will happen more where you have less parent involvement and you'll need therefore a lower pupil-teacher ratio, you'll need more people doing that kind of stuff. My assumption is that that's what compensatory grants in the broader sense should go towards in elementary schools: helping those kinds of factors that raise the cost of education for that school. What I then want to get at is, do we make sure that happens?

Mr Maurice Poirier: The purpose behind the compensatory grants is to provide some grant relief to school boards where there are certain factors, either economic or demographic, that would require additional help because of disadvantaged communities or communities that have a high proportion of—

Mr Murphy: I understand the background. I want to focus on whether we spend it in a place that helps the student and make sure that the money we give does that.

Dr Pascal: As I said earlier in terms of education finance reform, there's not enough transparency and, quite frankly, there's not enough outcome data to know whether the expenditure makes the difference when it is spent. Obviously, we assume it is spent where it's supposed to be spent. What's critical is that the interventions have to be individualized; that good teachers, and most of our teachers are good teachers, adapt to individual differences which make a difference in terms of reaching the standards.

The key is to know how they're doing against some provincial standards and to give teachers support and encourage innovation in terms of what you do to get that student up to speed. We shouldn't always imagine that the intervention will be a teacher's aide or something that has a high level of staff associated with it. We should imagine things in addition to those possibilities: peer teaching, computer-based modules and a whole bunch of other things that are already taking place out in the system in schools where the imagination is running wild.

1600

Mr Murphy: I have about a million questions, but I want to talk briefly about things like phonics as a tool. I also want to talk about how you're going to get feedback on the results of the standards you're imposing on grades 3, 6 and 9. You're talking about new standards and at some point you're going to apply them. Are you then going to have tests of some sort to get feedback on the imposition of the standards as early as grade 3? And you're obviously proceeding on these in the absence of hearing yet from the Royal Commission on Learning. Is the intention to proceed on the standards for 3, 6 and 9 prior to the royal commission, or how is that going to dovetail? Those are the three issues.

On the phonics one, and there are different pedagogical views on what works and what doesn't, do we as a province impose a certain pedagogical style or do we leave it to the boards or the teachers?

Dr Pascal: Let me respond to the question that deals with how much we move ahead vis-à-vis the royal commission. The minister made a decision to ensure that there was an appropriate balance between the things that are yet to be decided, for which we needed a major commission to provide value added and leadership, and what things should go ahead in terms of innovation and experimentation.

He made the decision that in the area of setting standards, curriculum based on results around real student learning, clear learning objectives, every jurisdiction in the world that has gone through a major reform has reinforced the notion of what The Common Curriculum and the results-oriented approach are taking. He made the decision that rather than holding everything back, he would move, and he has moved aggressively not only in Ontario but Canada-wide in terms of what he did in his role at CMEC, now currently under the leadership of the minister from Quebec.

In the area of moving on setting standards, that's going to move ahead. In the area of testing and how much testing and how often, apart from the testing that's already scheduled, we're going to await the royal commission's leadership on our approach to that. The royal commission may totally agree with the approach that's been taken. We think they will, simply because of best practices around the world. If they don't—

Mr Murphy: You'll jump off that bridge when you come to it.

Dr Pascal: Yes. On the issue of phonics and methodology, I'll turn to Maurice.

Mr Maurice Poirier: The province does not prescribe any particular methodology for teaching. In fact, we've moved to a results-based system which suggests that we do put faith in the profession, that it is able to use the

appropriate teaching style. That doesn't mean to say that one approach is better than another. In fact, not all of us learn the same way. Even in this room there are probably as many learning styles as there are individuals. Teachers, through their training, know that not everybody learns the same way. For some people it's visual, for some it's auditory, and some people will learn by doing.

We expect the profession, that is, teachers, to be able to recognize the differences in learning styles for each individual and use the methodology that is most appropriate. In some cases it is very appropriate to use a phonetic approach. In some other cases that is possibly not the best way to do it; they need a more contextual approach, which is called whole language, which incidentally does include phonics. It's a bit of a false dichotomy that has been set up, this debate around whole language and phonics. In fact, one includes the other.

A good teacher will use a variety of approaches. It happens sometimes that in a given classroom one approach will be more effective than another, but essentially that's why we do not prescribe the methodologies: to allow that flexibility, to allow individualization to take place.

Mr Murphy: Sorry about this, but one follow-up. One of the other issues that parents come to me about is reading and writing skills and marking based on them in other courses: history. There's a fight that parents often have with teachers about whether they can get a teacher to circle spelling errors and take marks off for things like that. I've known parents who have taken the fight right up to the principal and have been rebuffed at every level. A parent sees that and says, "What the hell are we doing in the school if I can't get them to do that?" And we've just agreed across this table that a fundamental learning skill upon which everything else is built is reading and writing, yet they don't mark on that. What are we doing as a province, if anything?

Dr Pascal: That's why in The Common Curriculum the whole approach is language across the curriculum, an integrated approach where it's everybody's responsibility and it's connected to other learning outcomes as well.

Mr Murphy: Does that mean teachers are going to be forced to take marks off for bad spelling in a history essay? I need my answer for my constituent.

Mr Maurice Poirier: I'm not sure about forcing teachers to mark in a certain way. It would be appropriate, though, to have teachers recognize that when they evaluate student work, they do so in a more general way. You quite correctly point out that if you're going to focus simply on the content area, what you will reinforce in students' minds is, "This is history, so therefore language doesn't make any difference," and that's precisely what the public and the parents are saying. It doesn't matter where you are; you should always pay attention to language, whether it is written or spoken. In fact, we do have a document that we distributed in the school system, called Language Across the Curriculum, which does stress that aspect. We would expect teachers to—

Mr Murphy: That's the point. The "expect" word is the one that scares me.

The Vice-Chair: Mr Murphy, we have to talk about members' numerical skills when one question turns into two and then three.

Mr Jordan: Just a quick question on the responsibility of a board to the French-language sector of a basically English-speaking district or board. The parents of the French-speaking students came to the board and made their case, to the point that the board in fact established and opened a French-language school for these families—less than 100, I believe they are. Now that same group is back wanting a by-election before this fall so it can have three board members on a board that only has—well, they would overrule most votes. Is the board bound by the act to have a by-election or can it wait until November 1994 and the regular elections?

Mr Gauthier: Are you talking about Leeds, Lanark and Grenville? I know there are questions and debate right now.

Mr Jordan: Yes, they would like me to take them back a—

Mr Gauthier: When a board decides to operate what we call a French-language instructional unit or a French-language school, the board is required to set up a French-language minority section with a minimum representation of three trustees. The question in debate is that normally this would be done at regular election time, and until very recently boards did not have the power to set up such a section between regular elections. This fall, Bill 125 got royal assent, which gives sections the power to do this.

Leeds, Lanark and Grenville is a very interesting case because their resolution to open a French-language school occurred before this bill became law, so in this instance the board has a choice of establishing a section now or waiting until November 1994 to do so. What we are hoping is that discussions between the members of the French-language community and members of the board will bring a successful conclusion to that discussion, because it's only a question of months.

1610

Mr Jordan: Can you give a letter stating that the board has the option?

Mr Gauthier: A letter has been sent already. I could check with people in the legislation branch, but a letter has been sent already.

Mr Jordan: Within the last week?

Mr Gauthier: Fairly recent, probably a week or two.

Mr Jordan: On Sunday, they were in a quandary about whether they had to or whether it was a choice they had. The word "may" was used, not the word "shall": The board may proceed in that manner.

Mr Gauthier: If the decision were made now, the board would be under "shall", but because the decision was made prior to the enacting of the law, the interpretation being given right now is that it may.

Dr Pascal: Madam Chair, if possible, we think we know which particular case you're talking about but we're not sure. Rather than inject in general, since every case has some idiosyncracies, we'd be pleased to talk

with the member after the meeting to get a few more details so we can respond tomorrow in some detail.

Mr Villeneuve: I'd like you to comment a bit on the Ontario Parent Council that was announced by the minister in the fall. How structured is that going to be? Who chooses? What are the guidelines? I'm still in the dark on that one.

Dr Pascal: I would be very pleased tomorrow to table a pamphlet which describes its terms of reference and its makeup. The membership is 18 in number. The process for developing nominations was one that was broadly based and included letting people at large know through public communication through our regional offices. A large number of applications were submitted and, using a matrix which looked at geography and equity characteristics, the membership was chosen by the minister.

The council of course reports directly to the minister and has lots of latitude to determine its own agenda in terms of the issues it feels compelled to put at the top of a priority list. On occasion, however, the minister might make a referral to the parent council. For example, I mentioned earlier the very difficult policy area of mutual responsibility and what the obligation of the parent or guardian should be. That's the kind of tricky policy area the minister could refer to the parent council. Last week, Maurice Poirier had a discussion with the parent council about The Common Curriculum and the process for revision. I don't know the results of that conversation; I just know it took place.

I would be very pleased to table with the clerk tomorrow the description that has all the terms of reference, method of choice and the membership that's in place. It's been operating for several months, and having met with them myself as part of an orientation session, I am quite impressed with what I think this concept will actually yield in terms of advice to the minister. However the individuals were chosen, they are individuals of individual and collective passion with some good ideas about what needs to happen to the system, including, I must say, some of the issues that members have raised in the last two days.

Mr Villeneuve: What I see is concerned parents and teachers looking at this back-to-basics concept. The Common Curriculum seems to be wanting to get back to a lot more structure. Maybe you could comment on that: the three Rs and then we got away from it and into all sorts of things that were supposedly quite good, and now we're going back again. The method of teaching mathematics, for example, has changed a lot, and we seem to be back to where we were a number of years ago. It's a very general question, but could you tell us basically what The Common Curriculum looks like, from someone who's been out of school for 50 years or 40 years or whatever, just a bit of general information on that?

Dr Pascal: Are you talking about you or me?

Mr Villeneuve: It may apply to both of us.

Dr Pascal: Let me ask Mr Poirier to answer the question.

Mr Maurice Poirier: Your comment about The Common Curriculum going back to basics is correct to a point. It includes what we used to call the basics, but it also includes what I would call the new basics. For example, this is the first time we have a document in schools that requires children to acquire computer skills in elementary schools. We also talk, for example, about media literacy. I don't think that when Charles was in school they covered media literacy. He may have done so on his own.

Dr Pascal: Egerton Ryerson was my teacher, as a matter of fact.

Mr Maurice Poirier: There are a number of new features in terms of content that were not there before, but I would say the most important characteristic, if you wish to differentiate this one from, say, the curriculum that you and I had when we were younger, is that we are trying to make education more relevant by asking teachers to make connections among the subject areas: so that, while it's important that you do learn how to multiply, you not spend the entire time in mathematics learning how to multiply; you have to know why you're multiplying.

One of the results announced in December around the SAIP, the national math tests, demonstrated clearly that not only in Ontario but across the country students have difficulty in problem-solving. While their numerical skills seem to be up to scratch, they did not seem to be able to apply them in different areas.

What we're asking for in this new curriculum is for teachers, and therefore students, to look at learning in a more integrated way, so that if you're talking about the environment you can do some mathematics to make some calculations about pollution, you can have some discussions about the social consequences of pollution and you can talk about biology in a more general way, trees and animals and so on.

This kind of approach will make learning more relevant for students. It will not preclude teachers from ensuring that the basics, as you've pointed out, are covered as well, but the program is not just the basics.

Dr Pascal: It's also important to note, as we discuss what was—as we did earlier in terms of Hall-Dennis—and what is—the difference between the perceived "Do your own thing" and back to basics and standards—again we set up false dichotomies. The issue of structure versus freedom is another false dichotomy. If you were to walk into some of the classrooms in the province right now that are already well on their way in terms of clear standards, very clear learning objectives, you would see lots of individualized projects going on, and it looks like a do-your-own-thing classroom. Again, individualizing different ways of getting to the same standards is also part of the flexibility that's needed at the local level and the flexibility that's needed to adapt to the individual differences of each student.

As to the reference to "when Charles Pascal was in school" by my friend to the left, I should note on the record that I'm only nine months older than he is.

Mr Villeneuve: That's pretty important information.

Dr Pascal: Yes, it is to me. I take your point.

Mr Villeneuve: To the auditor, a number of people

have suggested that whenever the financing of education is going to go through a fairly major revolution in the not-too-distant future, maybe we should be looking at the voucher system, as apparently is operated in some provinces. Did the auditor look at this at all in the context of efficiency?

Mr Peters: I personally am not familiar with the voucher system, but Gary might be.

1620

Mr Peall: I'm familiar with the voucher system, but as a general response, because the ministry was in the throes of its education finance reform project we decided not to look at the financing of education as part of this audit, so we didn't really look at its pros and cons. The taxation commission was looking at it as well, and whether property taxes were going to be used for education. With all that going on, it was just too much for us to look at.

Mr Villeneuve: Back to teacher training and their education: I find in many instances that a teacher will have graduated with a degree, with a major and a minor, but for some reason they're teaching a subject that has very little relation to what was studied at university. Who decides, and how does this come about?

Mr Lamontagne: If I may answer that, we are talking about the area of general studies, and what falls into general studies are math, science, history, geography, English, languages; the first language, in the case of French-language students, is français.In these areas, it's considered in the regulation that a teacher, once certified, is a teacher for all of these subject areas.

That being said, in the majority of cases at the secondary level—we're talking about students who are taking subject-specific areas in high school, for example math and science—the teachers are selected to teach those positions according to their qualifications. In most cases, that's what happens. A teacher has taken two options in their pre-service program according to their majors and minors, as you've pointed out, in their undergraduate program. They require a certain number of courses, for instance, in math or in science or in history or in geography, for those areas. What will happen in most cases is that's how they will be assigned in the schools.

The principal of a school, however, has the discretion to ask a teacher, and this is by mutual agreement, and logic dictates that that teacher would have some level of comfort with teaching a subject for which they do not have a minor or a major. This will happen sometimes to fill out the timetable in a school. In those areas, it is permissible by regulation to ask a teacher to teach subjects for which they do not have that kind of qualification in the general studies.

There are other subjects where they can only be asked to teach two classes; certain subject areas, very limited areas such as business practices and accounting, where they do not have that kind of background, and there are limitations placed on that.

There are other areas where there are no exceptions, where they must have the qualifications, such as special education for self-contained classes, the technological studies areas. They must have the qualifications to be able to teach in those subjects, otherwise they cannot be assigned to teach that.

Mr Gauthier: The challenge there is to make sure the teacher has all the resources necessary to perform their job well. That means the in-service necessary to do it, the learning materials to do it, so the teacher is not left alone in assuming that responsibility. There is a support around him or her to be able to do the task.

The Vice-Chair: Mr Villeneuve, the auditor has a response to your question, some information for you.

Mr Peters: We did a quick little bit of further research. We are quick studies, thanks to my staff here.

We are not aware of any province in Canada currently operating the voucher system. We know of one western province potentially considering it, but they haven't advanced very far. There may be some states that are doing it, but the voucher system is not used in Canada.

Mr Duignan: They actually turned it down in California last November. It was on the ballot.

Mr Villeneuve: It was a question that came to me, and I figured the experts were in the room today and that's why I asked.

I'm jumping around here. I don't think anyone spoke yet about credits obtained by students. In this new common curriculum, are you staying with credits? What are the time requirements? Your comments on credits as earned by the students.

Mr Maurice Poirier: The credit requirements for a student to obtain an Ontario secondary school diploma have not changed; they still number 30. We have not made any changes to the credit system in so far as grades 10 to 12 are concerned. We have taken the results of the consultation we conducted on the specialization years—that is, grades 10 to 12, including the OACs—and presented the results of that consultation to the Royal Commission on Learning, and we would expect the commission, in its deliberations, to consider the broader question of credits: how many, which area, which should be compulsory, how they should be packaged and so on. That is really within their mandate, and we expect they would be making recommendations in that regard.

The Vice-Chair: I'd like to give the ministry an indication of our area of focus for tomorrow so you can have appropriate staff. I've canvassed the members and it appears that special education is an area we would like to pursue. I can't tell you right now whether it would be for both morning and afternoon, because we have to break at some stage and go in camera to discuss the report and give direction to staff, but it will definitely be for the morning and potentially the early afternoon. If any outstanding questions on curriculum are asked and you don't have appropriate staff here, we would certainly be happy to have written responses, if that's necessary.

Dr Pascal: Thank you very much.

The Vice-Chair: Thank you. The committee will stand adjourned till tomorrow morning at 10 o'clock.

The committee adjourned at 1627.

CONTENTS

Wednesday 19 January 1994

Annual report, Provincial Auditor, 1993: Ministry of Education and Training P-423

STANDING COMMITTEE ON PUBLIC ACCOUNTS

*__Chair / Président:__ Cordiano, Joseph (Lawrence L)
*__Acting Chairs / Président suppléants:__
Callahan, Robert V. (Brampton South/-Sud L)
Duignan, Noel (Halton North/-Nord ND)
*__Vice-Chair / Vice-Présidente:__ Poole, Dianne (Eglinton L)
Bisson, Gilles (Cochrane South/-Sud ND)
*Frankford, Robert (Scarborough East/-Est ND)
Marland, Margaret (Mississauga South/-Sud PC)
*Murphy, Tim (St George-St David L)
O'Connor, Larry (Durham-York ND)
Owens, Stephen (Scarborough Centre ND)
*Perruzza, Anthony (Downsview ND)
Tilson, David (Dufferin-Peel PC)

**In attendance / présents*

Substitutions present/ Membres remplaçants présents:
Akande, Zanana L. (St Andrew-St Patrick ND) for Mr O'Connor
Haeck, Christel (St Catharines-Brock ND) for Mr Owens
Jordan, Leo (Lanark-Renfrew PC) for Mrs Marland
Malkowski, Gary (York East/-Est ND) for Mr Bisson
Rizzo, Tony (Oakwood ND) for Mr O'Connor
Villeneuve, Noble (S-D-G & East Grenville/S-D-G & Grenville-Est PC) for Mr Tilson

Also taking part / Autres participants et participantes:
Ministry of Education and Training:
Berryman, Jack, education officer, legislation branch
Carr, Graham, education officer, curriculum policy
Gauthier, Richard, leader, French-language education and programs
Hibbitt, Sharon, manager, registrar services section
Lamontagne, Maurice, education officer, program policy support team, special education policy unit
Lanthier, Jim, education officer, provincial reviews
Pascal, Dr Charles, deputy minister
Poirier, Maurice, leader, curriculum and assessment team
Wideman, Dr Ron, education officer, lifelong learning unit
Peall, Gary, director, ministry and agency audit branches, Office of the Provincial Auditor
Peters, Erik, Provincial Auditor

Clerk / Greffier: Decker, Todd

Staff / Personnel: Anderson, Anne, research officer, Legislative Research Service

CA2ON
XC21
-P12



P-23

ISSN 1180-4327

Legislative Assembly of Ontario

Third Session, 35th Parliament

Assemblée législative de l'Ontario

Troisième session, 35e législature

Official Report of Debates (Hansard)

Thursday 20 January 1994

Journal des débats (Hansard)

Jeudi 20 janvier 1994

Ontario Legislature Library

Standing committee on public accounts

Annual report, Provincial Auditor, 1993

Ministry of Education and Training

Chair: Joseph Cordiano
Clerk: Todd Decker

Comité permanent des comptes publics

Rapport annuel de 1993 Vérificateur provincial

Ministère de l'Éducation et de la Formation

Président : Joseph Cordiano
Greffier : Todd Decker

Published by the Legislative Assembly of Ontario
Director, Hansard Reporting Service: Don Cameron

Publié par l'Assemblée législative de l'Ontario
Directeur, Journal des débats : Don Cameron

Hansard on your computer

Hansard and other documents of the Legislative Assembly can be on your personal computer within hours after each sitting. Sent as part of the television signal on the Ontario parliamentary channel, they are received by a special decoder and converted into data that your PC can store. Using any DOS-based word processing program, you can retrieve the documents and search, print or save them. By using specific fonts and point sizes, you can replicate the formally printed version. For a brochure describing the service, call 416-325-3942.

Index inquiries

Reference to a cumulative index of previous issues may be obtained by calling the Hansard Reporting Service indexing staff at 416-325-7410 or 325-7411.

Subscriptions

Subscription information may be obtained from: Sessional Subscription Service, Publications Ontario, Management Board Secretariat, 50 Grosvenor Street, Toronto, Ontario, M7A 1N8. Phone 416-326-5310, 326-5311 or toll-free 1-800-668-9938.

Le Journal des débats sur votre ordinateur

Le Journal des débats et d'autres documents de l'Assemblée législative pourront paraître sur l'écran de votre ordinateur personnel en quelques heures seulement après la séance. Ces documents, télédiffusés par la Chaîne parlementaire de l'Ontario, sont captés par un décodeur particulier et convertis en données que votre ordinateur pourra stocker. En vous servant de n'importe quel logiciel de traitement de texte basé sur le système d'exploitation à disque (DOS), vous pourrez récupérer les documents et y faire une recherche de mots, les imprimer ou les sauvegarder. L'utilisation de fontes et points de caractères convenables vous permettra reproduire la version imprimée officielle. Pour obtenir une brochure décrivant le service, téléphoner au 416-325-3942.

Renseignements sur l'index

Il existe un index cumulatif des numéros précédents. Les renseignements qu'il contient sont à votre disposition par téléphone auprès des employés de l'index du Journal des débats au 416-325-7410 ou 325-7411.

Abonnements

Pour les abonnements, veuillez prendre contact avec le Service d'abonnement parlementaire, Publications Ontario, Secrétariat du Conseil de gestion, 50 rue Grosvenor, Toronto (Ontario) M7A 1N8. Par téléphone : 416-326-5310, 326-5311 ou, sans frais : 1-800-668-9938.

Hansard Reporting Service, 481 Legislative Building, Toronto, Ontario, M7A 1A2. Phone 416-325-7400. Fax 416-325-7430

STANDING COMMITTEE ON PUBLIC ACCOUNTS

Thursday 20 January 1994

The committee met at 1018 in room 151.

ANNUAL REPORT, PROVINCIAL AUDITOR, 1993

MINISTRY OF EDUCATION AND TRAINING

The Chair (Mr Joseph Cordiano): This morning we're going to continue with the Deputy Minister of Education and Training. We're reverting to questions around special education, and we'll proceed in 20-minute intervals for each party.

Ms Dianne Poole (Eglinton): Dr Pascal, you've been quite forthcoming during the hearings on special education about your concerns with special education and the fact that you do feel there is some room for improvement and some things that you might like to do differently. I'll ask you the same question I posed yesterday, generically, about education: You have a second crack at it, the speech from the throne, but this time you're writing the section on special education.

We've talked in this committee at great length about the concerns that have been raised by parents, by educators, by people who work in the area of special-needs children. How would you answer the concerns that you've heard on the committee to date if you were trying to plot a new course for special education and improve what we have today?

Dr Charles Pascal: I should have anticipated that I might get this, but I didn't. I'm delighted to have the opportunity to respond. If the Deputy Minister of Education, who considers himself an educator, had an opportunity to write the throne speech, I would have the entire speech dedicated to education. There would be nothing else in it other than a few opening and closing remarks about the future and how important education is to it.

If I were to craft some words down the road, and we talked yesterday about a hypothetical framework, I would begin by quoting extensively Mr Weber's comments. I would have to paraphrase them or quote them, depending on what editorial licence I might be given, and I would frame the remarks in a very positive way.

There are two ways of framing comments about what we've done in special education in Ontario since Dr Stephenson introduced Bill 82 in 1980. One approach is: "Can you believe how many problems we have? After 14 years, we still have these problems." Another way of framing them, as Professor Weber does in his book, is: "Can you believe the incredible accomplishments that have taken place since 1980 in special education? Can you imagine that after centuries of dealing with children and adults who have handicaps in a custodial way—'Let's just do something to help them deal with their handicaps, let's focus on what they can't do instead of focusing on what they can do, instead of catching people doing things right'—can you imagine, after literally a century of organized education, how far the educators of this province, particularly the front-line teachers and those who lead them, have come? The number of individuals with special needs who have been early identified and are provided opportunities? The speed with which the system went from 1980 to full implementation in 1985 and the consequences for individuals such as those referred to by Mr Callahan a few days ago with respect to the invisible handicap, for example, of LD students?"

So I would begin my draft remarks for the government of the day with a very positive statement of what has happened and I would talk about the important characteristics of the legislation which were designed to ensure inclusiveness and individualization.

I would talk about IPRC and I would also indicate as an unobtrusive indicator of the success of the system that, after 14 years, the number of tribunal cases that have come forth is relatively small, given the thousands of IPRC processes that have taken place. I would talk about the 170,000 or 180,000 students who are accommodated quite well without the IPRC process, whom we haven't discussed in the last couple of days. I would talk about the annual reporting process and the special education advisory committees that are supposed to be extant within the board.

Then I would segue into the kinds of issues that have been tabled by the Provincial Auditor and I would be very forthcoming. I would recommend very forthcoming language about the fact that in the area of follow-up and monitoring—again, you caution me through your professional development advice about throne speeches getting too specific. I would talk about the fact that there need to be far better accountability measures in terms of issues arising and the ministry's follow-up.

I would somewhere, either in the speech from the throne or a subsequent ministerial statement, make sure that as we tighten up our accountability measures, we recognize that the ministry has to be the quality assurance mechanism to make sure it all happens, with the Provincial Auditor and public accounts and others holding us accountable for doing that.

But in the exercise of the ministry's responsibilities we will never be able to have education officers looking over the shoulder of every supervisory officer in the province. What we need to do is make sure that the evaluation mechanisms are intelligent, accessible to parents, that they're working, and we need to make sure we have an effective means of evaluating the evaluation mechanisms.

I would try to frame that in more general language, put it positively in terms of the accomplishments, be very forthcoming about the fact that there are issues that are still extant that make it less than perfect. I would be very forthcoming about that, and make some very aggressive statements about how to solve those problems.

Ms Poole: You mention the part about accountability in your speech from the throne. I had an interesting conversation with a person from the Ministry of Education the other day, who said there was absolutely no

doubt in his mind that the moneys that were going to the boards for special education were being spent on special education, and in fact in most cases the moneys being given by the ministry were being exceeded by the board, that they were putting in their own dollars.

So it would be not a matter of the board spending the money on other areas within the education system that did not relate to special education; it's a matter of we don't know if the dollars are being spent effectively within special education itself. Is that a fair comment?

Dr Pascal: The issue of effectiveness vis-à-vis the dollars that are spent is something I have difficulty answering. I think that's one of the issues. The issue of all the dollars that are allocated to school boards in terms of the $14-billion expenditure and having greater transparency for everybody to be able to see how the dollars are being spent and how they relate to outcomes is at the heart of everything we've discussed about accountability. That is part of education finance reform and it not only holds for special education but educational expenditure across all other functions of a school system.

Ms Poole: I'd like to go to the IPRC, the identification and placement review process. There has been over the years a number of ways in which it has been criticized. Mr Ferren referred to one himself, I think, in the opening question on special education several days ago when he said one of the criticisms that parents have is that there is a barrage of staff and it's somewhat intimidating to face all these various experts. Those weren't your words, Mr Ferren, but that was the import of it.

I've been through the IPRC process as a parent and it was a very pleasant process for me, because my child was identified by the school, by the teacher, as going into the gifted program, which is always very reassuring as a parent to think that your child somehow got intelligence from somewhere, probably your spouse, actually. But the staff were all very supportive of it, so it was really a rubber stamp.

When I was looking around at the experts, I thought how intimidating it would be if you went in and they had a different message to deliver, that your child was very troubled, needed help in certain areas, but that you as a parent fundamentally disagreed with their premise and you felt it wasn't the child as much as perhaps the teacher or the education system or the school or the attitude or something like that. I'm thinking how few resources many parents would have to overcome this. It's pretty intimidating when you have a psychologist and a consultant and all the experts facing you across the table and there's just you.

Has the ministry developed any type of parent assist that is outside the formal education system? I'm trying to say somebody who isn't part of that school system, somebody who can almost act as an advocate.

Dr Pascal: An ombudsperson advocate.

Ms Poole: Exactly. Have you thought of doing something like that? To the best of my knowledge, that isn't presently in place, although I know with the LD association that they do provide assistance, but have you thought of doing something like that?

Dr Pascal: Mr Chair, if I could move from Ms Poole's previous question, which put me in the role of drafting some words for a hypothetical throne speech, where I talked about IPRC and the fact that it's served it well, I said some very positive things about it in terms of the number.

As a matter of fact, if I had quoted Weber I would have said, "However, experience has shown that appeal in litigation becomes a factor in only a tiny number of cases. The fact that thousands of IPRCs held in the first eight years after the final implementation of Bill 82 generated less than two dozen tribunals and only four court cases suggests very strongly that Bill 82 and the IPRC process have been quite successful."

If I can move from the throne speech and say that—in fact obviously Weber, who's part of the tribunal process, is a professor; he's very well thought of and the committee itself quoted him to me, which is how I discovered his book—I would put another face on it. I would argue with Professor Weber and I think you would probably join me in this, that if the process is not seen by parents to be emotionally and intellectually accessible, then we have a selection bias at play here in terms of the number of parents who brought cases to the IPRC process. So we may not have had the number of people using the process because, unlike perhaps you or myself or other members around this table, individuals didn't find it accessible.

I think you've raised an issue which is a legitimate one to raise and I think you've raised a solution which is really quite worthy of evaluation. One answer would be that the process under way right now that is evaluating the IPRC process, we should ensure that your question is answered by them satisfactorily in terms of accessibility. Peter may be able to help me in terms of what's already at play there.

1030

Secondly, I think the broader question of inclusiveness and parent participation and demystifying the system and making it culturally, linguistically and intellectually available to all parents for all issues involving education has got to be part of the preoccupation of the Ontario Parent Council that has been recently set up. Peter, do you want to add to that?

Mr Peter Ferren: Yes, Charles. In reference to the comments that were made by the questioner about whether consideration had been given to a type of advocate, maybe we'd call him an ombudsperson, actually, during an earlier examination of the IPRC process and looking at various models, internally we discussed that type of person who might be able to provide assistance and direction to school boards. That may be one person identified for a region. This is the type of thing we were just considering and examining.

But what does happen right now is that the regional offices do provide assistance and advice to school boards in relation to the operation of IPRCs to the extent that they can. Obviously, it's a weakness and it needs to be addressed, but we did give thought to it. Obviously, the process is under review now.

Dr Pascal: We should give thought to it and we

should also evaluate, in a sense, the advocacy groups that are part of the special education advisory committees, their role in not only representing people at large but what they do to educate their various constituencies. I know from my own experience through social services that the Ontario Association for Community Living is very actively involved in empowering not just parents but individuals who have challenges as well in the process.

Ms Poole: I know Mr Callahan has a question which he's eager to get out, but I just wanted to make one last comment. I think it might be quite helpful if the ministry ensured that school boards give out information to the parents to tell them their options and perhaps suggest different organizations that might be able to help them, particularly to help them understand the IPRC process.

Mr Ferren: Many of the school boards do that now, but that's also an item that's under consideration in the review of the process, with reference to the parent guide.

Mr Robert V. Callahan (Brampton South): I've had expressed to me—and I've dealt with a lot of learning-disabled kids over the eight and a half years I've been in the Legislature—the concern that although you can appeal the placement, you can't appeal the program. You have no way of appealing the program. I think that's regulation 305 or something to that effect.

A lot of these parents are concerned about that. It seems as though what they're being told—and maybe that's appropriate; I don't know—is that, "We know best, and this is the program you're going to get." Would anyone like to comment on that? I think the auditor actually addresses it on page 81; maybe not, but I got the impression that he was addressing it.

Mr Ferren: There was earlier consideration, even in the drafting of Bill 82, going back a number of years, of an identification and placement review committee. But anyway, during the consultation on the integration of exceptional pupils and during our recent consultations with partners around future directions in special education, the issue of program is a very important one as far as the IPRC is concerned. What is under consideration now and what has been recommended for many groups is that at least the IPRC, and that it's spelled out legally in the regulation, discusses program at that particular time, but not that program be appealable. That's what we're getting right now.

Mr Callahan: I've had numerous conversations with parents of young people, particularly with learning disabilities, who have felt that was their greatest frustration, that: "Okay, they identify my child. There's a placement, but is the program that's in place having any benefit for the child?"

I guess that's what the auditor was saying: "Procedures to evaluate the variety of special education programs and services offered by school boards were not adequate to determine whether these programs and services were the most appropriate and cost-effective in meeting the needs of all exceptional pupils."

I gather what the auditor's saying is that the ministry should have a hand in this, but I can recognize too that the ministry would be busy at just that if that's all they were doing. Maybe by providing an appeal procedure of the program you'd establish some set of circumstances through which the parents themselves could in fact monitor the program. I don't know whether that's clear.

Mr Ferren: Certainly the comments that have been made and the recommendations that have been made we could take under active consideration. Perhaps the issue that comes to mind is in the review of the SEAC process and in reconsideration of their particular role, that is a valuable role that committee could play for any school board in terms of the quality of programs and the types of programs and services that are provided for all the exceptional pupils within that jurisdiction. Certainly what you've recommended we can take under consideration.

Mr Callahan: I want to compliment you gentlemen on your ties. It's a good thing we've got colour television. I think they should take a snapshot of the ties.

Dr Pascal: This tie, which was designed by Todd, age 12, for the save the child program just reminds members that, if they want to ask questions on school board transportation, if I could just have a little bit of warning.

Mr Noble Villeneuve (S-D-G & East Grenville): There is considerable controversy over the transportation aspect in the area I represent. However, I believe we're looking back to some of the special education projects.

I had a constituent fax me some information. It pertains to an area of exceptionality known as attention-deficit disorders. Apparently 10 years ago that diagnosis didn't exist. I understand it's prevalent in about 10% of the boys in the school system and some 3% of the girls. Could you confirm those figures? I was alarmed when I heard those figures.

Mr Ferren: I cannot be specific in confirming whether it's 2% or 3%. I think that percentage is high.

Mr Villeneuve: I would hope so. However, there are people within the system who are much more knowledgeable than I who have made that statement.

Mr Ferren: Usually pupils with attention-deficit disorder come in under the learning disabilities category and in talking about the percentage of pupils with learning disabilities, that could be from 3% to 5% of the pupil population. Those with attention-deficit disorders certainly would not be at that percentage.

Mr Ron Mason: Actually, the figures internationally for learning disability vary somewhere between 5% and 10% of the population. It is higher with boys than with girls for learning disabilities.

Within the area of learning disabilities, it's quite conceivable the figures you've just given might be a percentage of that particular group. They would certainly, from my experience, although it is a newly diagnosed area, seem very, very high.

The numbers we're seeing are quite small. I'm looking in Metropolitan Toronto and at the moment we're barely into double figures of truly diagnosed—and I say "truly;" there's a medical component to making an accurate diagnosis here—of attention-deficit hyperactivity disorder. I would think those figures are quite high.

1040

Mr Villeneuve: Now, the ministry considers this particular problem, attention-deficit disorder, as an exceptional child?

Mr Mason: Yes. Again, in looking at the various assessments and going back to an IPRC, you obviously need more than an educational assessment to determine that particular disability. It's a term that tends to be used fairly readily.

Mr Villeneuve: It covers a wide spectrum.

Mr Mason: That's correct. When there's a behavioural problem, there is often a tendency to use that term without looking further to determine whether that's the true nature of the problem. There are a number of diagnosable disorders that result in behaviour problems. That's one of them. So IPRCs, in looking at that, really are requiring much more information.

Dr Pascal: Yes. You might have, obviously, time on task and attendance to task, which is an overt example of the disorder you're talking about. It could very well be that what is behind it is short-term memory transition to long-term memory. Even though that's been invented as a label to describe something that may have a discrete character to it, there's an awful lot of other similar LD characteristics that exhibit the same kind of behaviour, which is difficulty in staying on task.

Mr Villeneuve: There are 170 school boards across the province of Ontario, and I'm sure they all attempt to address these problems in a slightly different way. Do you have monitoring? On the first day of the hearings here I was kind of questioning to the effect that if you have a board that seems to be out of whack on percentages, do you have a way of trying to quantify or trying to use a yardstick, so that people understand that this is a problem? Some boards may want to disregard it; others may put more emphasis on it.

Dr Pascal: The structure that's in place, the process in place, as you know from the auditor's report, is that the special education advisory committees submit an annual comprehensive special education report which summarizes the boards' activity and their plans. The ministry's role is to analyse those reports and report back to the local board what should happen as a result of that.

There is some inconsistency about the follow-up from the ministry in terms of implementation of the ministry's advice as per the auditor's report. We're concerned about that and we will tighten that up effectively.

You're asking a question about whether or not, as a result of all of those annual reports, the ministry does an evaluation across the board. I believe we do, and I believe, Ron, you've probably been involved in that in the last couple of days, if I'm not mistaken.

Mr Mason: That's correct. The report this year came in December 31. Normally, it's May 15.

That report is a report on the review that is mandated in the legislation. The board must review its special education plan, which is a plan for programs and services. That must happen. Then the report comes via the SEAC to the board, where it's approved by the board and submitted to the ministry.

The report includes—and this is consistent in all the regions now—a report on the types of programs that are being delivered, and it shows the predominant type. So there would be a predominant delivery mode, plus other delivery modes in the board.

Our job is to analyse that, to analyse the kind of staff that are involved in special ed, any amendments that the board has made that are significant changes to their plan and then, to the best of our ability, and this is an increasingly difficult job because of the numbers of people doing it, we submit a report in the form of a letter back to the board. If we do have concerns, or if the board is not in compliance, or we have concerns about the way they're delivering any changes, that is put in the letter.

Again, we talked about moral suasion the other day. That goes back, it becomes then a public document. The board deals with it through trustees, and the special-ed advisory committee, which is parent associations, deals with it. Often then, they're back to discuss it with us and we'll have some direct contact. Then that report has been coming down to the special education unit for analysis across the province.

Mr Villeneuve: The funding support financially for special ed is 100% through the ministry. Is it through GLGs or a special type of funding?

Mr Mason: I could start that. The GLGs have a portion, as was pointed out the other day, that is allocated for special education. That goes to the board through the GLGs and of course through the financing to school boards. There is a portion that is funding from the ministry and a portion that is acquired locally. The boards determine with those two items how they're going to fund their special education programs.

The additional would be special grants for students who are deaf, blind etc, the in lieu grants, grants for section 27, and there is some grant availability for specialized equipment. That's the source of the funds for special education.

Mrs Dianne Cunningham (London North): I'm not sure whether anyone did discuss the select committee on education, 1990, yesterday. My colleague may have touched upon it, but I'm not sure.

I just wanted to remind the Ministry of Education that some of the recommendations that the auditor has brought to our attention for further work and attention were the same recommendations that were obtained in the fourth report of the select committee on education in June 1990.

I suppose what I'd like to ask the deputy at this point in time is, when we do have a report of this type, what kind of action would be taken by the ministry?

I'll give you just an example of the recommendations. Recommendation number 25 said, "The Ministry of Education ensure that all parents have equitable and adequate access to assistance and advocacy services within the identification and placement review process." It seems to me that if a committee of this Legislative Assembly was that specific, that would be one area that the auditor wouldn't be pointing out as an area of concern. It's a sense of frustration, I think.

Dr Pascal: I think the question is a good one, generally as well as specifically. In general, if you're asking

me what ministries and deputy ministers should do in response to reports such as the select committee on education, regardless of the status of any report, whether it's a legislative committee—certain types of reports have more visibility and authority, royal commissions and commissions of various types and select committees—it's our responsibility to ensure that good ideas that call attention to gaps in service or the difference between the policy and its implementation on the ground, that those things be taken seriously, full stop.

With respect to what the ministry did in relation to those specific items, since I've only been here for about 10 months, I can't answer directly exactly what the ministry did with each of the recommendations of the select committee. There may be someone here who can.

The issue of parent involvement and, in particular, as we said a few moments ago, making the IPRC process more intellectually and emotionally accessible, as I said about a half-hour ago, is extremely important and will be redressed as part of the current review. Members of this committee have been extremely helpful in pointing out the painful consequences to parents and families where that process has not been perceived to be accessible to them. It remains a problem. The issue of how long it has taken for that issue to be redressed I think is a fair question and I accept the criticism.

1050

Mrs Cunningham: I guess maybe what was pointed out in the very beginning is that we want to move forward. Since I at least intend to be here for a few more years, there will be some continuity somewhere, but that doesn't mean to say that it has to be political. There ought to perhaps be more continuity within the ministry itself.

I don't think people can accomplish these kinds of goals within five years. I think people have to decide which ones they work on quickly and which ones they have to take more time for. But at least I've been around long enough to say to the public now, when I'm asked to speak, that basically in education we've been talking for the last five to eight years in many areas. We know what we should do. My criticism is that we haven't had the political will to do it.

The criticism in many of the documentaries that we're looking at—and especially an American one of a couple of weeks ago on behalf of three governors of states who went in with their main aim being to change and make more relevant the education and training, and I underline the training because that's what they were really after—their point was that they were totally unable to make a difference even in eight years as governors.

Two of the states I've visited and have understood that there are many wonderful programs, but they're not statewide. They blame the education community itself. They said there wasn't the will within the education community for change. I wondered if you'd like to remark on that, given that we've just had a specific example of where the change hasn't taken place.

Dr Pascal: As, in a sense, a person from Mars coming in from the outside—although I've been an educator for 28 years in Ontario, my direct work in the elementary-secondary area has been limited. While we can celebrate many of the successes of yesterday and today—and they are many as a result of a very large number of outstanding teachers and those who lead those teachers—change is difficult.

I think there are forces at play that make the kind of sustained change, that is, from policy implementation, policy development, as in the case of Bill 82 under Dr Stephenson's leadership, to tough-minded, consistent implementation—as I quoted earlier, Weber describes what's happened in 13 years, as the date of publication is June 1993—a major success story. But there are problems that remain extant in the system. There are forces at play, as I've suggested, that mitigate against change being sustained. If you want to explore those in detail, I'd be pleased to do so; I don't want to take up too much of your time.

I think you've alluded to one, and that is, within the bureaucracy. It's important to sustain a fairly good amount of constant leadership within the bureaucracy in this. But I think there are problems with change and there are people who are resistant to change. I think the educational system needs to be more open to those who are outside of the system. I think Jennifer Lewington and Dr Orpwood's book on education reform, which is a popularly accessible thing to read, talks about some of the problems with the system in that regard.

I think again a good change will come about if there's a self-confidence that we need to bring together doers who think and thinkers who do. Making it very accessible to parents, empowering parents and classroom teachers, front-line teachers to be given opportunities to be far more involved in the process are part of the solution.

The Acting Chair (Mr Noel Duignan): There are a number of new members here this morning. While the committee agreed to concentrate a little on special education this morning, we did leave it up to committee members. If they wished to ask questions of the other areas of the auditor's report, that was fine, and if the ministry didn't have those particular staff here this morning, they would certainly get back to the member's question in written form.

Mrs Cunningham: Just to follow up on a philosophical discussion in a sense, but to let the ministry know that I found in audiences just yesterday in London, in two different locations where I spoke on education, that teachers who had left the profession left it because of their inability to get the job done.

I think it's interesting that they should stand up in public groups and say that. These weren't particularly political arenas where people were trying to one-up the other person. They were thoughtful arenas where people were finding solutions. I thought I'd bring to you that they thought there wasn't the continuity within the ministry, where there had been some success in getting good curriculum implemented, which is what isn't happening in my view.

With regard to special education, I'm wondering if the ministry has thought of what happens at the other end, assuming there will be more attention paid to the out-

comes with regard to the individual child, because I think that's where the emphasis has to be. I have not got the time of day for the paperwork any more. I don't even want to see it. I think most good teachers know exactly what they ought to do, and where there are mature teachers who are role models for younger teachers in schools, they can make sure the good curriculum is available and implemented.

In special education, it will change with every single child. So if someone's wasting their time in trying to write a document that's going to suit a whole group of young people, they can forget it. What they need are probably 100 ideas that may work or not work with every child, and it may change from week to week and month to month.

There will never be a simple answer in my view, but there is a simple answer to a parent coming in and saying, "Where is the progress over a period of two or three months and what can I do?" and just as important, the teacher saying to the parent, "You have a responsibility here."

I've got two questions. What kind of authority does the school board have with regard to—I think demanding would be too tough, but I think it's realistic in today's society for so many parents who are giving up their responsibilities in the education and training of their own children. I had two in my office yesterday who decided to leave home at age 15, and their parents were happy to let them go. You and I pay for that. They happen to be in special education classes in our schools and under the authority of the courts. It's expensive. What authority does the teacher have in demanding some support from families and what happens if it doesn't take place?

My second question would therefore be, what happens when we get the success story and the child becomes a teenager and he should be working in cooperative programs? Where does the school board have the finances to provide what I would call job shadowing? I think a 14- or 15-year-old is capable of being out in the world of work in the form of training, especially the kinds of students we're talking about in this format. Where are we, given the success of job coaching in this province? Those are the successful programs. Are we bothering to do it?

Dr Pascal: Let me respond to two very important areas of questioning. First of all, we discussed very briefly yesterday the very important issue of mutual responsibility in terms of parents and guardians, a very difficult policy. The short answer to your question, does the school board have the authority to command *x* participation and so on and so forth, is no.

Many years ago when I was in Montreal as a professor of psychology, I also did some part-time work under a foundation grant on training parents and teachers and siblings of kids with special challenges on how to deal with those special challenges. Because it was under a grant that I achieved, I was able to invite into the program and allow into the program only those where everybody who was in that child's life was involved.

If the father of the child said, "I'm too busy, I go to New York six days a week and I can't be involved," I didn't accept them into the program. I could do that because this was an experimental program. The success rate, of course, because we had full involvement of all those who are part of the children's lives, was enormous in that project.

1100

If I can segue from my experience at the Montreal Children's Hospital to Ontario today and our school system generally, the issue of guardian and parent participation remains an extremely important policy issue. What are the positive consequences we can bring to bear for involvement, and the more difficult question you raise, the very difficult policy question, what are the sanctions with non-involvement?

I hope Mr Cooke sees fit to refer such a question to the parent council because we all know intuitively and anecdotally that the kitchen table is a very powerful sustaining force in terms of the support for a child, all kids along the continuum, not only exceptional kids but all children. That support at home, peers and parents and guardians, is absolutely essential and it should be and must be a shared responsibility for us to make the kinds of gains we're looking at.

The short answer is that the board doesn't have that authority but you've really pinpointed, I think, one of the most significant social policy issues around education that there is.

I'm just about to get gavelled. The job-shadowing question, I'd be glad to provide you my own personal views about what is happening and what could be. I don't want to belabour the time.

Mrs Cunningham: I think it's an important one if someone else wants to take it on. Maybe my colleague Ms Akande would pursue it a little bit. I'm sure she has a lot of experience in that regard. Thank you.

The Acting Chair: I've been somewhat lenient in time on each side. The questioning now turns to the government side, and bear in mind you've got three speakers: Mr Marchese, Mr Bisson and Ms Akande.

Mr Rosario Marchese (Fort York): I have 10 issues I want to being up so I'll put my points very quickly.

I agree with Mr Pascal's comments in relation to Mr Weber. I found his comment extraordinary, the fact that we only had two parents appeal through the special education tribunal, and he argues that because of that the system is working; I find that an extraordinary opinion.

It's not working for a variety of reasons, and the reason why it's not working is that 99.9% of the parent population wouldn't have a clue how to get there, wouldn't have the knowhow of how to get there, the knowledge, the experience and the support; therefore only two people get to that appeal. Something is wrong. I think you were agreeing or I'm agreeing with you or you're agreeing with me that Mr Weber is totally off base in that regard.

Moving on to my second point: 8% of the entire student population is in special ed across the system. I suspect that in Metropolitan Toronto separate and public the figure is probably very high. The figures I've seen in

the past, we had approximately 16% of the entire student population in special ed in the Toronto board a long time ago, so my suspicion is that in Metro separate and public the numbers are much higher. That number worries me. Does it worry any of you?

Mr Mason: The number isn't that high for identified exceptional pupils in Metropolitan Toronto. It varies somewhere, in some boards in Metropolitan Toronto, around 5% and up to over 10%, but over Metropolitan Toronto the identified exceptional pupils are not that high. If you're looking at special needs, obviously in Metropolitan Toronto there is a vast array of special needs, but identified exceptional pupils, I don't have the exact figures but they would not be as high as 16%.

Mr Marchese: No point in disputing the figures—

Mr Mason: They're high.

Mr Marchese: I believe they're higher than you think, but on the research paper we've got it's 8%: "In 1992-93 there were approximately 160,500 exceptional pupils, excluding students of provincial schools for the blind and deaf." So that's 8% of the total school population. Does that number worry any of you?

Mr Mason: Again, looking internationally, that is within the norms that one would expect.

Dr Pascal: In addition to that number, by the way, are another 170,000 students with special needs who are not part of the IPRC process being accommodated by the system. Does that number worry me? Well, it's a lot higher than it was before Bill 82, and I'm delighted by the number. The fact is identification of students, regardless of the numbers, allows for accommodation and individualization and intervention.

At one level I would love to see a society where we've advanced enough in terms of turning research into practice and prevention and dealing with the neurological connections to the LD syndromes so that we wouldn't have any students, but I would rather have a system that is identifying individuals with a variety of exceptional needs and doing something about them. So the number in and of itself doesn't bother me at all.

Mr Marchese: My personal opinion is that the number bothers me a great deal. I think it's incredibly high and there's something that we should do provincially and in all boards in terms of how we deal with this issue. But because I don't have a great deal of time to do that, I'm just going to move on and raise points.

The issue of integration versus segregation is of concern to me. Of course, we're moving into integration. I'm a serious opponent of segregation because I think once we have done that, we have secluded students who are not doing well in a way that they end up staying in special-ed programs for a long, long time.

As we move into integration, I have a serious concern as well, because that could produce the same effect. Unless we deal with students who have problems in a way that we integrate them academically in a way that we, as teachers, know how to deal with them, we will have produced the same effect in the end.

Segregating is bad. Integration, without the proper tools to deal with those students, can be equally destructive. Do you agree with that, and if you agree with that statement, what is it that we can do when we integrate students finally?

Dr Pascal: I don't want my comments about part of what Professor Weber said, which Mr Marchese and I completely agree upon, to imply that I haven't also been well educated by reading some of what he said about these issues.

What the Ontario government signalled in 1991, as per Mrs Boyd's statement in the Legislature, is that "the integration of exceptional pupils into local community classrooms should be the norm in Ontario wherever possible when such a placement meets the pupil's needs and where it is according to parental choice."

Weber talks, and I'll quote Weber in talking about the two camps in terms of integration and segregation, about the importance of this as a milestone in terms of public policy. Obviously Minister Cooke is in the process of following up on that policy direction in terms of making more specific accommodations to it.

But to quote Weber, "It was a proposal"—referring to Mrs Boyd's comments in the Legislature—"that seemed at once educationally sensible and politically astute, for it suggested that integration be considered the norm for special education practice in the province but at the same time that boards continue to offer a full range of educational placements in recognition of the fact that an integrated setting will not be appropriate for all students." So we're talking about a norm and almost all students as a very strong outcome in terms of integration.

Mr Marchese: Sure. I agree with that. I think we need to keep the various options all the time for the different needs, absolutely.

My comment on the integration model is that unless we get seriously involved with teacher training, we're going to have a lot of problems once we integrate students. So the teachers will need training, they'll need support, but in addition and in particular, training to be able to work with those students so that they are not completely abandoned.

That's my comment. You'll find opportunities to probably raise issues as we go on.

On the ombudsperson Dianne Poole talked about, it's an interesting concept, the whole notion of having an ombudsperson to deal with concerns that parents have. I'm a bit concerned about that notion, however, because I think that if you channel all problems that parents have through an ombudsperson, you never deal with systemic problems, you never deal with parents being involved in their local schools in an active way, which is what we really want. But you really can't obligate parents to be involved. What you need is a system—provincial policy and then boards—saying, "How do we get parents involved?"

1110

Some boards are better than others. Some boards are probably way off base and some are more actively involved. You can't have sanctions for involvement nor can you obligate, but surely we know from all the research that is available that parent involvement is one

of the key elements that one needs for the success of students. We know that's key, and yet so many boards lag behind.

Some boards have set up parent councils, parent involvement work groups. Some other boards wouldn't even think of it because they don't want parents to be involved, because, "We're the professionals and they're of course parents, and they're not as professional in this field as we are."

What we need is a systemic way to get parents involved, because we know their involvement is key. That's why I praised the initiative of the Ontario Parent Council, because I think through it we might get to this and hopefully convince boards that what we need is greater parental involvement, and what structures do we need to make sure that happens? Any disagreement with those things?

Dr Pascal: No, just a couple of quick comments about two of the points you made. With respect to the last point in terms of parent involvement, I would add to my response to Mrs Cunningham's earlier remarks about the importance of this area that in fact there are school boards out there which on the ground are doing an exceptional job, not waiting for public policy but really making sure that parent involvement is not only encouraged but rewarded, really meeting them wherever they need to be met, sometimes 90% of the way with some parents; in most cases, just making it a friendly place and being quite aggressive about developing different ways to involve parents. I should have stated that and I'm glad I've had an opportunity to do so.

With respect to special education teacher training, yes, we need to provide continued supports to classroom teachers, as Weber and others have commented, as we move successfully towards more and more integration, which has already become the norm. The classroom teacher who's there in what we've called regular classes—an outstanding teacher already adapts to individual differences.

I don't want to diminish what Mr Marchese has said about the importance of special education specialty, but the special education specialists can also be mentors and coaches to those who have not had that experience. There are thousands and thousands of kids currently being accommodated by just outstanding teachers who adapt to individual differences without too much special education training and they're doing it quite well. So we have to draw a balance here in terms of what specific skills are required and what outcomes we are looking for.

Mr Marchese: Sure. I'm not making a negative comment when I say teachers need training, because I think a lot of them would say, "We want it."

Mrs Cunningham: They're asking for it.

Mr Marchese: Exactly, so it's not a negative comment at all. I have two other comments on the whole notion of parental involvement in literacy.

The reason many students do well, of course, is because they come from a background where on the whole they get that kind of training, so it's a class issue. Some of the parents are not abandoning their responsibility; it's just that some of them probably don't know what else to do as parents. They do their best and then when they're not doing well, they just don't quite know what else to do as parents. That connects to literacy, the fact that some parents don't have those kinds of skills.

I believe literacy should be part of a continuum in education delivery of programs. Some boards do not see providing literacy programs as their responsibility. I think it's the responsibility of boards, as part of that continuum, to provide them, because if parents are more literate, can read and write and know what it is they can do as parents to be more greatly involved, that will contribute to the success of students.

Does the ministry have a position with respect to literacy programs for adults?

Dr Pascal: Let me just pause for a moment. The hesitation is due to the fact that the Ontario Training and Adjustment Board also has a responsibility for pre-entry program in the literacy area and some responsibility and resources have been shifted over to the Ontario Training and Adjustment Board.

I'll tell you what we can do, Mr Chair, because I want to give a fulsome answer to what we're doing and not doing and the responsibilities.

Mr Marchese: We'll come back to it.

Dr Pascal: This afternoon, if there is a session this afternoon, or by a follow-up note, I really would like to give a complete answer rather than winging it.

Mr Marchese: That's fine. I appreciate that. I have other questions, but other members would like to put some.

Mr Gilles Bisson (Cochrane South): We have 10 minutes. I'll take five minutes and leave the rest for my colleague. I want more of an in-depth discussion about this, but I just have time to raise it to the deputy.

I have had the opportunity, like most other members, to meet with a number of teachers in the special education field. I have had the opportunity not only to talk to them, but also to visit some classrooms and see at first hand what is happening within the school system with regard to integrated classrooms when it comes to special education. Three things come up on almost every occasion, sometimes on the part of the parent but certainly on the part of the teacher. I know that you know these, but I just want to put these on the record none the less.

One of them is that teachers are feeling quite frustrated in some cases with regard to the whole question of the support needed on the part of the educator in the classroom, and some boards will do that better than others. A teacher will have some teacher's aide or somebody to assist with some of the tasks necessary in order to care for the child, as well as some of the educational tasks. But it's not universal across school boards. The poorer the board, the worse the situation is for both the child and the teacher.

The second thing is the real lack of materials for assisting the teacher in education. For example, in deaf education, I've seen children in classes who are profoundly deaf and are working with teachers who don't understand American sign language and there is really no

meaningful communication going on between the child and the teacher. I know there's a real attempt on the part of those boards and on the part of those teachers to try to help, but there's really not the kind of support needed for the teachers to really prepare them to work with that child or to even supply the amount of translators needed in order to help.

It's not only when it comes to deaf education; it comes to a whole bunch of other questions when it comes to materials. For example, I was at the children's treatment centre in South Porcupine just recently, on Wednesday, with the junior minister for Health. A very simple thing when it comes to materials is if we'd only think, when we develop materials, of looking at the question of how accessible and how useful this material is when it comes to children who are deaf, when it comes to children who are either French or English; for example, a very simple thing, the trouble they had in order to go and find an alphabet for young children that shows "A is for apple." Well, in French, A is not for apple; P is for apple. All I'm saying is that if we'd look at those kinds of things and say, "A is for airplane; A is for avion," we don't have to go out and redevelop this stuff twice. It's available, it's there and it could be utilized. There's a real crying out on the part of teachers and on the part of parents for materials to help in education.

I leave it at that, because there's not enough time. Just a quick comment and I'll go on to my colleague. Is the ministry looking at trying to do something in order to assist those boards? I know it's a dollars and cents question, but at the same time, we do need to provide for the education of those children.

Mr Mason: The supports was the first part of your question and the supports are vast—you just touched the surface on the supports—mainly because, not only with integration, we've got an increasing number of pupils with very severe needs, partly through medical breakthroughs and the move from institutional care into community care, which means the schools have got a lot of needs in terms of providing supports. It's not only direct supports for the teacher in the classroom, which also gets into the realm of health support, but also professional support for that classroom teacher, and that's another element I think somebody else was getting at.

In terms of the deaf and the onset of ASL as being increasingly used, of course we've got some problems there because of the newness. Even though we fund interpreters directly from the ministry, the problem is getting qualified interpreters to support that situation. That should be addressed in time. We're getting more community college programs in interpreter skills. That's coming, but there is a lag there; no question about it.

1120

Dr Pascal: The only thing I would add, in my own limited experience in the last number of months in terms of my school visitations, is that in visiting classrooms—we have a school that is totally integrated—my own anecdotal impression is that the rich school board differences aren't necessarily quite as you put it.

More importantly, I think the importance of your question in terms of best practice and sharing is something we're not doing well enough as a system, because there is some outstanding best-practice activity taking place in Ontario in terms of fully integrated classrooms with some very innovative supports and cost-effective supports. Some of those innovations, in my own recollection, are in places I wouldn't describe as rich boards.

Ms Zanana L. Akande (St Andrew-St Patrick): I'm going to go back to the question of integration, because I think it's an important one, and I know it's one that is of interest to several of my colleagues on both sides of the table. The reason is that there is an effect not only in the regular program for the special-ed children, but there is also an effect for the special-ed child who's been identified, himself or herself, and the teacher who is teaching them.

The arguments posed in Mr Weber's information are not new arguments; they have been there a long time. While I agree it's important that special-ed teachers or boards have flexibility in addressing students' problems, I also know from my previous role that it's extremely important to be addressing those problems, and that if it is the board's choice to have that student in an integrated setting for their special education program, it becomes very important that we know the dollars that are assigned to special education are being directed in a way that the child is still getting some special assistance with his or her needs. As it stands now, and from your answers, I do not have that assurance. Am I wrong?

Mr Jim Doris: It is true that the funding is for pupils. In general, I think you're asking the question of what assurance we have that the students in an integrated setting are having their program needs met.

Dr Pascal: And that money is attached to—

Ms Akande: The special-ed needs of their program. I will assume that the regular class needs are being met, but if the child has been IPRCed and is placed in this integrated setting, what assurance do we have that the special-ed needs are being met in that setting?

Dr Pascal: I'm sorry. I thought you wanted assurance and transparency that the special education dollars are being spent on special education needs.

Ms Akande: That's right.

The Vice-Chair (Ms Dianne Poole): Transparency? The new buzzword?

Ms Akande: Edubabble.

Dr Pascal: Very clear to all, including parents, that the money is being spent on their kids' needs, as identified in a process called—

Mr Tim Murphy (St George-St David): A transparency is a thing you put on the thing and you put it up on the wall.

Ms Akande: We've taken two minutes to make sure you've got the question. Now, have I got the answer?

Mr Doris: Education finance reform certainly considers this a key challenge, and that is that we want to make sure the parents understand and the community understands how the money is being spent. Probably it's a valid criticism of our current system that in the way the money is spent at the local level, it's difficult to put

one's finger on how it's actually being spent.

We do know the total dollars that a board is spending on special ed. We do know the resources that the board reports to the ministry as far as teachers, teachers' aides etc are concerned.

Ms Akande: What we don't know is that the children who have been identified through the IPRC as having special-ed needs are in fact being supported by a program that addresses those needs if the child is in an integrated program. We don't know that and that's extremely important because there are many complaints coming from a few boards, but probably more than I know, that say their children are identified and are placed in integrated programs and the teachers at those integrated programs do not have special education training and are not supported by resource teachers who support those programs who have special education training, and they therefore are not getting any kind of program which is in any way different from any of the regular class teachers.

I suggest there are ways in which we could respond to that which would, in a surface way, seem appropriate. But being in that situation, and I have been, it is true.

Dr Pascal: Let me try to respond to that. First of all, we've established that the system needs far more clarity about what dollars go in and how they're spent. But the second part of the question basically raises whether or not at the other end kids' needs are being dealt with. As I said in my opening remarks today, when Ms Poole asked me to write a hypothetical throne speech, for which I wasn't prepared—I should have been because I wrote a draft on another set of subjects yesterday—the indicators are that a large number of students are being served well by the system—

Ms Akande: I would agree.

Dr Pascal: —and we need to kiss the system for a few moments in this process for doing some things right.

Where we have problems in the system, as correctly identified by the Provincial Auditor, is that when special comprehensive annual reports on what boards are supposed to be doing with the children, to which Mrs Akande refers, are submitted to the ministry, we provide feedback when there is a gap in perceived service along the lines that Mrs Akande has noted, and we haven't done well enough in following up our advice to see if it's been followed. I readily agree that we have some serious issues there that need addressing, no doubt about it.

I think it's also important to note that with 160,000 kids formally identified and about 170,000 kids with certain special needs also being accommodated, and with the kind of information we have about the IPRC process in terms of numbers that are coming forth and numbers that aren't coming forth, including the kind of caveat that Mr Marchese and I would like to put on it, there are a large number of children who are being well served by the system at present.

Ms Akande: One quick thing: I wouldn't want it out there in TV land that I don't support the system or don't feel it's doing an adequate job or feel that the special ed and other teachers aren't doing a remarkable job. What I do say, though, is that we must be certain that boards are not using the special education money and putting kids into integrated situations where in fact no special education focus is being given and no support is being given. But I too applaud the abilities of teachers to work around those decisions, because they don't make them.

The Chair: The last half-hour will be divided into 10 minutes per party. We're probably going to conclude the session this morning and go into an in camera session this afternoon to deal with what we do next.

Perhaps it would be useful to ask the deputy minister: Given that the Royal Commission on Learning is going to deal with a number of issues that were raised during the course of these hearings, that having been said, those issues can be set aside for the commission on learning. There were, however, a number of other issues that I think there was some indication you might be able to deal with, because the commission on learning was not going to delve into those issues. Would it be possible for you to report back to us at some point, perhaps when we sit again in March, a list of those issues and what plan you have to deal with those issues? Therefore we might follow up on some of those things and what directions you might take, given that set of issues that you think you can deal with, that you need to move forward with.

1130

Dr Pascal: I would be very pleased to do that. I don't want to get involved in testing and signing norm reference numbers to it. I could give about an 80% answer now. I won't because you haven't asked for it because of the time. It's very easy for us to indicate what we're doing already and what we plan on doing. I will summarize at the end, if given a few minutes, what I've learned from the last three days in terms of action, in particular in special education. But the answer is yes, we would be very pleased to make sure that members of public accounts know that while there are serious problems, we're not just waiting for the Royal Commission on Learning to report to solve some of these problems, and I can make a clear distinction between what's in and what's out of the commission's responsibility.

Ms Poole: While we're doing a request for information, could I also ask if the ministry could give us some information on the impact of the social contract for the educational system as a whole, but also specifically with relation to special education—

Mr Murphy: And the expenditure control plan.

Ms Poole: —and the expenditure control plan—thank you, Mr Murphy—just so we have an indication of what future stresses may be on the system and what current stresses have been added.

Dr Pascal: The answer is yes. In terms of the word "effect," that will be a very difficult part of the question to answer, but issues related to it.

Ms Poole: Yes, the monetary impact and any cuts in programming that have resulted from it or transfers.

Dr Pascal: Just a clarifying question: When you say educational system or a system of education, are you referring just to elementary-secondary?

Ms Poole: Yes. Unless members want it to go beyond that, I thought of just the elementary-secondary panels.

Dr Pascal: There are probably colleagues behind me saying, "Why would he ask and throw open the possibility?" but I just wanted to clarify it.

Ms Poole: Give us everything.

Mr Callahan: I didn't realize we weren't going to have the ministry back this afternoon. My agenda shows them this afternoon as well.

In any event, I'm going to jump into it and hopefully can accomplish what I want to accomplish. We're going to be dealing with the auditor's report in terms of the Solicitor General and Correctional Services next week. I have a number of points, and I'm going to concentrate on the persons with the invisible disabilities, because I think those with visible disabilities will be able to be identified quite easily and programs can be put in place. It is the people who have the invisible disabilities, who are probably a small fraction of the 8% Mr Marchese was talking about, but I suspect they're probably more in the neighbourhood of about 30% of our young people.

We've seen the problems in the auditor's report about the question of when moneys get tight and also the comments by the auditor saying that they received information, Mr Marchese. As they went around to the schools, they were told that in some cases teachers were told not to tell parents about the IPRC identification program because they didn't have sufficient placements to look after these children. I raised on my behalf and I think on behalf of all the colleagues on this committee and any member, that this is outrageous.

In any event, I'd like to go to the topic of the Ontario Institute for Studies in Education. I think that learning disability is something that is so pervasive and so far-reaching that it deserves a good deal of attention from study and the inclusion of what's going on in the United States and around the world in terms of what advances have been made in identifying it in terms of dealing with it, because as I said earlier, and I won't repeat them, I think there are a lot of kids and a lot of adults who are now doing time in our correctional facilities and jails who are either unidentified learning-disabled kids or are those who didn't receive the benefit of any type of program to help them out of their plight.

I'd like to ask, what is OISE doing? I understand that OISE, and I hope I'm correct in this, is supposed to be an organization that studies the whole gamut of education. I think this is one they should be zeroing in on, and if they haven't been zeroing in, I would certainly urge that they do zero in and gain all the information, all the available data background from around the world, to try and wrestle with this problem and work feverishly towards, number one, the ability to be able to identify. That's number one; that's OISE.

The second thing is that I would suggest as a very important facet, and apparently it's being done at Ryerson, that we develop programs to allow identification of kids to be done by people who are not necessarily psychologists or psychiatrists. I don't think it takes a rocket scientist to be able to identify a kid as having a learning disability. Teachers do it all the time. They send them on for verification by professionals.

I think we have to have, as I said yesterday, almost like a hospital having triage. You have to have those people, and maybe it's a course, maybe it's early childhood educators who would be employed in this capacity, so that we can identify the largest number of kids and not miss any and not have to put kids on long waiting lists, perhaps to see the psychologist through the school or through any other process. Mental health access for kids has a tremendous backlog and I'm sure the same thing exists for the schools.

We need something to be able to prioritize those cases which are most significant before these kids drop out of school or before they become viewed as antisocial and end up in the correctional milieu. Although the Treasurer, my good friend Floyd Laughren, will probably say we don't have the money to do that, and maybe we don't, I think that in the long run, if we don't do it now, we're going to pay for it in spades down the line.

Leaving the questions with you—I'm not sure you have enough time to address them but maybe we can get something in writing—I'd like to know what OISE is doing and what it has planned for the future, and I would like to leave with you what I said was the suggestion about some type of non-professional person, and when I say "non-professional," not in the vein of a psychologist.

Finally, the third question would be, what are we doing to deal with people who are chemically sensitive in terms of special education? Those would be my questions.

The Chair: Unfortunately, there isn't enough time to answer all those questions, so we will leave it that the ministry would perhaps get back by way of information.

Mr Callahan: Mr Chair, you indicated that we should go in camera this afternoon. That will obviously be to discuss what we might report on in this regard. I think it's important enough to have these people back this afternoon for an hour or so. I don't know whether I can get unanimous consent for us to go into this a little more, particularly on the OISE question.

The Chair: Perhaps we could deal with that for one moment. Is there unanimous consent for that to occur?

Mr Noel Duignan (Halton North): My understanding of this whole issue is that we wouldn't spend the whole afternoon in camera, that we would spend a portion of the afternoon in camera, so I'm quite willing to come back and sit from 2 to 3 or 3:30 and deal with any outstanding issues that members may want to raise with the ministry staff here.

The Chair: Is there unanimous consent to have the ministry back this afternoon? Fine.

1140

Mrs Cunningham: I'd like the deputy to attempt to answer this in some way. It's been brought to my attention in our travels that many boards have tried very hard to provide parents and students with options or a variety of placements for exceptional pupils in keeping with the spirit of Bill 82.

But a few boards provide only one placement option. Some of them call this mainstreaming, inclusion or total integration. They say to the parents: "Your option is mainstreaming or total integration." There's tremendous

complaint by parents that this is their only option. They then argue that this is the option that meets the needs of the exceptional pupils in their boards.

Is the regular classroom, for all exceptional pupils, the only placement option that the Ministry of Education is prepared to support at this time, or is the range of placement alternatives approach the approach that the Ministry of Education continues to support?

Mr Ferren: The present legislation and the current way that school boards operate is in accordance with Bill 82 and the regulations, where the school boards are encouraged to provide a range of placements for exceptional pupils. That is still the current position of the Ministry of Education. There are some school boards in the province that deliver their programs and services on an integrated model, and they have involved parents in the development of that model. There are, and they will indicate that there are, a few pupils who they may not be able to serve in an integrated model, and in those instances what they do is purchase the service from the neighbouring board. That's the current status.

Mrs Cunningham: If you can imagine a school board having a singular policy, given that the ministry and the intent of Bill 82 is to provide a range of services, I would suggest you can go around and ask every board that has a singular policy such as that—I've obviously asked the question for a reason—and I don't think they are meeting the spirit. I don't think there is one person in this room who wouldn't agree that as far as possible, a child should be in their own neighbourhood, so we all approve, I think, of integration as far as possible. That would be every family's dream.

Where it isn't appropriate—and the ministry is saying, "We support a range of programs"—to stick a child in somebody else's jurisdiction, outside of the support of their own community, so that when they do get a little bit older, like my son, and my question about job coaching and the real world that supports them, that's gone, their friends are gone, their family's gone—I would suggest the ministry move in on this as quickly as possible.

Mr Ferren: Mr Chair, I stated the current situation in response to the questioner. On the proposed directions on the integration of exceptional pupils that are under way, that are under consideration, we're looking at the issues of parental consent and the interface of parental consent with the IPRC process, the issue of allocation of special education resources, the issue of integration into a neighbourhood school or community school.

Those are some of the outstanding issues, but we are also talking about the integration, as the deputy referred to earlier, of almost all exceptional pupils, based on parental support, with the recognition that there are some exceptional pupils whose needs cannot be met in a regular class placement. Therefore there would be the need for alternatives to that particular integrated placement, such as special education classes, provincial schools, demonstration schools.

Mrs Cunningham: I'm going to give the ministry some information. Yesterday I met with the parents of Down syndrome children in the southwest region. They were individual parents who had called this meeting. They were very strong in saying to me that many of their children have benefited and are benefiting from integration, but just as many are benefiting from contained classrooms and contained programs. So they need a choice. It's a perfect example of a concern.

It was yesterday's concern, and for the ministry to be sitting around and saying "as far as possible and with parental consent"—I can tell you right now that when I was asked to give consent to what the educator recommended, as a parent I trusted the educator. In today's world, most parents do. I think educators should be very careful in what they're recommending for children. I think there will be repercussions down the road on behalf of some of the programming, and I assure you anybody with any common sense knows there has to be a range.

Integration as far as possible is a wonderful ideal, but contained classrooms have wonderful success stories. I think school boards are being forced by this kind of policy statement to get rid of programs that are working. I will stand behind the vocational schools and the opportunities for those older students to get jobs. That's the only success story I saw in the 15 years I was on the school board in London. That's where the success stories were. For people to move to this other route, they had better take a look at the success of those kids getting jobs down the road. I don't think they're there to the extent they have been in the past.

That's what the real world's all about, not kids just going to school until they're 21, but people living useful lives beyond the age of 21. I really feel strongly about it and I think those boards should be taken to task.

Dr Pascal: Obviously, the concerns of individual parents are very important to us and we hope to the boards, as Mrs Cunningham has offered the challenge. There is a policy right now, as the former minister expressed in the Legislature in 1991, that integration should be the norm. In fact, in practice it already is. There's a commitment to providing for almost all, and that's where the area of grey is in terms of what that phrase means. There are issues around the concerns Mrs Cunningham has expressed that are under very active evaluation right now. I'm sure you can understand why we can't talk about the options that are before cabinet, but these are important issues.

The policy is based on an assumption that I think everybody shares that the social achievement outcomes of integration, wherever it can be successful with special needs children, need to have a full and effective chance. There are lots of issues of motion, lack of information and the fact that we haven't done well enough in sharing best practices around the province that need to be part of the solution.

The Chair: There are two minutes left.

Mr Villeneuve: Are we still on special education?

The Chair: Special-ed is our focus this morning.

Mr Villeneuve: I have some questions on the delivery of French-language curriculum, which was questioned by the auditor. If the deputy minister is coming back after lunch, maybe we could do that.

The Chair: Perhaps that would be the most appropri-

ate time. Given that kind of interest, I would ask members if the ministry should bring along officials from both curriculum and special education. Is that the intent?

Mr Duignan: Yesterday, we did agree, as I stated earlier, that while we're focused primarily on special education here this morning, if committee members had questions related to other issues and if the ministry didn't have the staff here to answer them, it would certainly get back in written form to the members with answers to their questions.

Mrs Cunningham: He just said there's no problem doing that. The deputy just said that.

The Chair: If there is a request to have some people here to deal with curriculum, then obviously we're going to move in that direction this afternoon as well.

Dr Pascal: We will be prepared to be very flexible in dealing with whatever questions members pose.

1150

Mr Duignan: I couldn't agree more with my colleague Mrs Cunningham around the whole question of integration. I have a real problem with that. I had one of my sons go through our whole system where he was bused some 15 to 20 kilometres away from where he lived. For two years, I didn't know his friends, had no support or anything else. I don't really want to get into that. We've gone around that.

What really upsets me is when people say, "Things are on the way and options are under consideration." Are we going to wait another 14 years before we come to some concrete answers to some of the problems which the auditor has found and which every parent in this province has experienced? When are we going to get some action? When are we going to get some concrete results?

When you look at what the auditor has found, there's real concern. Even the deputy minister said in his opening statement, "The findings reflect concerns that are held by many educators and parents whose children require special education programs."

You know that the boards have a wide latitude in how to implement these programs and the ministry has no idea where the money is spent, if the money is spent on them, how the money is spent, and what programs work and what programs don't work. I'd like to know when we're going to get some concrete changes to the system we have now in place.

Dr Pascal: Let me begin by stating what I said in response to the first question this morning, which is that 14 years has not seen inaction; 14 years has seen hundreds of thousands of children identified with their special needs and accommodated. Rome is not burned to the ground. By the same token, as you have indicated, I am concerned with respect to the toughness, or lack thereof, of some of the accountability problems that remain in the system.

There are things in place that potentially could be improved: the IPRC process, which we've discussed, and the special education advisory committees and their roles and responsibilities, and the need for them perhaps not only to be involved in planning and making recommendations, but to be involved in some tough-minded implementation monitoring. Then it involves, of course, the ministry and its response to its role in monitoring those annual reports that those committees are generating.

There are issues that have to be redressed, but we've moved from a process in the mid-1980s to where under legislation school boards have an obligation to accommodate special needs students, and as you suggested, in a variety of ways: lots of apples and oranges in terms of how they do it. We haven't done well enough in terms of evaluating best practice so that the whole system can rise according to the best practices taking place around the province. You're absolutely correct that that has to be improved upon. But as we move to responsibility under the act as shared by the ministry and the school boards, we're going to have to expand that.

In order for the problems to be identified and solved more effectively, we're going to have to have the involvement of other ministries, of social service and health agencies, and ministries on the ground in various communities. The tricky part about this is how you establish an accountability framework and mechanism that works, because for these issues to be resolved well, to your satisfaction and mine, the shared responsibility at one level has to be greater.

The accountability for ensuring that everybody's playing their role effectively has to reside, I think, with the ministry. I don't want to put on the record that increased shared responsibility among more people gets us off the hook; quite the contrary. We have to be the resident ministry in ensuring that the outcomes are more effective as a result of greater numbers of players, including of course the recurrent theme of far greater parent involvement. To me, the most significant issue that has been reinforced by members of this committee is the need for parents to have this system more available to them intellectually and emotionally. To me, having that happen will go a long way in terms of redressing some of the issues you've noted.

Mr Duignan: I know the ground moved in California a couple of days ago and they have a major problem and they're moving quickly to fix it. So hopefully we're not going to take too long to fix the problems that we know are out there and need to be fixed. The parents and the educators can't wait around too much longer to have these problems fixed.

The final question I have before passing it on is, given all the facts we know right now, given the fact that there's a problem in the system, do you believe the taxpayers of this province are getting value for the money in relation to special education?

Dr Pascal: The only answer I can give is that I hope so. If you're asking me categorically, is my comfort level as high as it should be, the answer is no. If you're asking whether I think large numbers of students have been well served by the system, the answer is yes. But I'm not satisfied, as the Provincial Auditor has noted, that our accountability mechanisms are as strong and as effective as they need to be. Until they are, you and I aren't going to be able to answer that question with the level of confidence that we'd like to be able to answer that question.

Mr Duignan: So in other words, no, we don't have enough information to answer that question?

Dr Pascal: I think we need to respond aggressively to the accountability deficiencies the Provincial Auditor has noted to be able to answer that question.

Mr Duignan: The taxpayers of this province are hoping that will happen, and happen quickly.

Dr Pascal: The taxpayers of this province, not just in special education, deserve far more visibility in terms of outcomes for their $14-billion investment right across the board. They need to know where the money's being spent in the service of what outcomes. The progress we've made in special education in 14 years is enormous. What it's done is that the progress has made it easier for us to identify where the problems still remain. In the area of curriculum and testing as we discussed yesterday, major strides are being made, but we've got a long way to go.

Mr Duignan: We have no accountability in the system.

Dr Pascal: We have less accountability and less effective measures of accountability than we need.

Mr Duignan: In other words, we have no accountability in the system.

Dr Pascal: No, that's not so; no, I'm sorry—

The Chair: We're not going to get into a debate around that. Mr Marchese has the final say.

Mr Marchese: I won't talk about streaming but hopefully get to it in the afternoon if we have time, because that would take more time to discuss and get your reaction to the whole notion of streaming.

But some comments on parental involvement again, to bring it back: That's a big task. It isn't easy to simply say we want it, because once we say we want it, which is a wonderful achievement in itself, then we have to talk about how it all happens, because to do that you need to change the culture within the school system and outside with communities and parents. At the moment, we don't have a culture within the teacher-board jurisdiction that says, "Yes, it's a good idea."

In fact, you will have a lot of resistance often from educators, from teacher to principal to superintendent to director, who at times find that a terrible nuisance, especially when parents get very heated about what they like and what they don't like. The system is a terrible way at times of making sure they deal with that in their own way and sometimes very effectively in terms of keeping them out.

The system at times closes in and the parent finds a terrible wall in terms of how to go through the process of accessing people information and getting the feeling that they're getting a fair trial or a fair hearing or whatever it is that the parent wants. We need to change the culture in and outside of the system. In my view that would take a long time, but I suspect you would agree with that.

Dr Pascal: It may, but the good news is that I sense right across the country, in discussing this very issue with my colleagues in other provinces just a few days ago, that the issue of parent involvement, of again making the whole system available to their participation, requires, as you suggested, a cultural transformation, but the pressure for it is enormous.

With several boards in the province of Ontario—I don't want to put a number on it that are doing well of the 172 boards, but there are some located not too far from here that are doing significant things in terms of trying to meet parents wherever they have to meet them, including 100% of the way if they have to, including going to homes for visitations, not just saying, "Come to the tower over here and see if you can find your way to the teacher's office or the vice-principal's office."

There are some boards that are doing best practice. We make those best practices known to the parents in other jurisdictions, and the clamouring for that at home in the respective jurisdictions will be enormous.

Mr Cooke's Ontario Parent Council is something that I think was long overdue. I wasn't sure it was, but then when we saw the response to it and the fact that it has been very well received—it hasn't been well received universally; there are a few trustees who don't like it and maybe a few other groups that aren't sure about it—

Mr Marchese: Who are they?

Dr Pascal: —but maybe the concern there is for the reasons you've expressed. Where boards already are doing these things, people are welcoming it. So there's a kind of grass-roots pressure and a top-down pressure through the Ontario Parent Council that is going to provide results maybe more quickly than you might get—

Mr Marchese: Perhaps, and that's good.

The Chair: Unfortunately, we've run out of time.

Mr Marchese: Just as a last comment, I want to say it's sharing best practices not just with parents, but let's share them with teachers as well.

Dr Pascal: Yes, absolutely.

Mr Marchese: I'll continue this afterwards.

The Chair: We will adjourn until this afternoon at 2.

The committee recessed from 1201 to 1410.

The Acting Chair (Mr Noel Duignan): We have agreement among the parties to proceed. We also have agreement that we spend the first hour of this afternoon's session in rounds split evenly among the caucuses asking further questions of the ministry, and at that point we'll go into closed session to deal with where we want to go from here. I will begin with the official opposition.

Mr Callahan: I'd like to go back, Dr Pascal, to the question of OISE. I've read some books coming out of the United States on the whole question of learning disability. Some of them suggest that diet has a bearing. Some of them suggest it doesn't exist. As I understand it, OISE is a body that does research into education and specific problems in education. Has there been much work done on the question of the learning-disabled, perhaps what is going on in other jurisdictions and how they're dealing with it?

I don't want to belabour the point, but perhaps it requires a little more emphasis. I think we're all in agreement that learning disability, being the invisible disability, has a significant impact on a very large sector of our population. In fact, I don't think in the past we

realized just how pervasive it was and I think we're just starting to understand that it is extremely pervasive. From all the things I've been able to determine, people who have this disability—the one I'm speaking of is not dyslexia but attention deficit—are probably from average to very bright people who are trapped in this, whatever causes it.

To deal with that, in our efforts to provide special education for people with this invisible disability, it's absolutely imperative that we use whatever facilities are available to us to investigate the problem, investigate the best way to deal with the problem. Who knows? Perhaps we'll find why young people are in this difficulty.

I'm going to ask that at some point after we get back to the House, we convene public hearings in the public accounts committee to bring people before us to gather real-life stories of the problems and difficulties they have, because I think it's one that many people out there are not aware of.

This is why I raise the issue of the identification process, not just in education but also in connection with the new legislation dealing with employment equity. These people are really disabled; at least that's my conclusion after a fair amount of involvement with these kids. Unless we have more knowledge of what the problem is and how these kids are affected by it, and even adults—I speak of kids, but there are probably lots of adults around, as somebody said this morning, who probably didn't know what was going on until we realized this in the last 10 or 15 or so years.

What is OISE doing? If they are not extensively involved in it, if they're not an autonomous body—I'm not sure whether they are or they aren't—I would certainly encourage that they take full steps to investigate the matter totally, not just looking in our own backyard but looking at all the research that has gone on around the world and covering a whole host of areas. We're going to be meeting with Correctional Services next week, and I'm there should be a real crossover on this between corrections, Health and Education.

Having said all that as a rather lengthy preamble, I find it very disturbing. As I said before, while I was practising in the criminal courts, mainly with young people, you can pick them out. I mean, it jumps out at you. The frustration they suffer is so significant in that they don't know what's wrong with them, their parents don't know what's wrong with them, and in many cases they're just looked upon as being troublemakers. I think we're losing a lot of very important commodities for the future of this country if we don't do something about it.

Dr Pascal: I'll begin my response to the important question and comments of Mr Callahan by indicating that last week when I visited the Trillium School and attended what they call their weekly family meeting, where students, parents and staff get together to talk about issues arising from the previous week, I noticed in the meeting room a wall filled with very famous people we would all recognize who are individuals with one form or another of a learning disability. Many of them are older than we are and have been famous for a long time, and through probably an uncommon amount of tenacity and parent support somehow figured it out and reinforced what you have said, which is that achievement and potential should not be hampered if early diagnosis and intervention is accommodated.

To not have early diagnosis and intervention, I am told by adults who are friends of mine who discovered later in life they were learning-disabled, is not only a hidden handicap but a private fear which creates an extraordinary amount of challenge, and a challenge that is often dealt with in isolation because people don't want to talk about it. As a result, sometimes the outward symptoms are certainly misread rather than being interpreted properly.

There is a "That was then, this is now" quality to my answer, because as a result of Bill 82, as a result of intervention by advocacy groups and teachers, advocacy groups like OACLD and others, we're in a different place now, a place that's not perfect but one where early identification and accommodation is more possible.

With respect to OISE, the Ontario Institute for Studies in Education, the institute does have a special education focus. It's part of the department of applied psychology; there's a joint special education-applied psychology department. They do have some research taking place on learning disabilities. I can't tell you any more specifics. I would be pleased to find out who's doing what. Regardless of how much they do, it's important for our research as a province not only to be pursuing issues like this but also tapping the best knowledge and research base that exists in the world.

When I was a professor at McGill University under the leadership of Dr Sam Rabinovitch, some of Canada's and the world's early and leading research on learning disabilities was taking place. Dr Rabinovitch has since left this world, but I hope McGill, in his place—Canada is on the map in terms of doing research on a cluster of subsyndromes that are listed under the general label of learning disability.

You asked a question about OISE and its independence. The answer is not meant to be cryptic and bureaucratic in a pejorative sense, but the answer is yes and no. It's at one level an independent institution, at another it's different from universities. It's a schedule 3 agency. We transfer money to OISE in terms of a block research grant, as we have over the years, and we've not always attached too many strings to what's done. The possibility exists that perhaps some further work can be done, that we can increase the probability in a more directive way that it is done. But we shouldn't limit the research domain just to Ontario and the Ontario institute. We have the world of researchers that need to be brought to bear in terms of how we can use best practice in Ontario.

The only other thing I would add is that a couple of days ago, when Mr Callahan and I were talking about our respective perception that there's a relatively higher incidence of learning disabilities present in the young offenders system etc, I said I was sure that I've read research articles which have reinforced that. While doing my assigned homework for Mrs Cunningham—and I hope this will be the last reference to Professor Weber—what Weber says in his summary in that excellent book is that the research is equivocal. Again, this is difficult

research to do, and as you explore this next week as part of another public accounts meeting, if I can get the copy back from Ms Anderson, I can at least show you that section in Weber that calls attention to the fact that some research studies show yes and some show different results, and Weber explains why. I think it would be of interest to you.

1420

Mr Callahan: Some of the observations I've made from some of the stuff I've reviewed and even from anecdotal information from some of my constituents—I'll give you an example. A constituent of mine was living in a family situation which she didn't understand. It was eventually determined that not just her son but her husband had a learning disability. They were both professionally diagnosed. She wound up becoming abusive of alcohol and went to the Homewood clinic, and of the 30 people who were there, I think 29 had been diagnosed as learning-disabled. The question is chicken and egg. Were these people drinking because they didn't understand what had happened to them or what was going on with them and masking it through alcohol and drugs? Does it in fact have that far-reaching effect, that some people who are addicted to alcohol and drugs may very well be people who are learning-disabled?

I've told you about the jails. If I walked through a correctional facility or a penitentiary, or if someone did who had some ability to identify them—I can't tell you how you identify them; I can, because I've seen a lot of them—you'll see an awful lot of them in there. That to me is a horrific, terrible thing. The more important thing is that a lot of kids out there are maybe out of school and haven't been identified, or maybe they are in school and haven't been identified, who are falling through the cracks. It behooves us to investigate that and to look into measures in how we can deal with these people.

The other thing I've discovered from talking to kids with learning disabilities is that they require a good deal more of the sensory helps. For instance, from my experience, a person who has a learning disability is someone who would probably learn more from a comic book or a television program than they would from you or me speaking or receiving a lecture or reading a book. Also, the experience they have is that on certain days they're in tune with everything, they're very bright, but some days you could talk to them and they wouldn't even know what you were saying. It would be—what's the word on the buttons you handed out this morning?

Dr Pascal: Edubabble.

Mr Callahan: That's a very real concern. Another is that parents don't understand what it's all about. Just to name some of the important people you mentioned, Churchill was learning-disabled; John F. Kennedy was too, I think; the Fonz; Cher; I think Einstein, but I'm not sure. That's amazing, when you think that somehow they got out of the problem, found tricks to get around it. But if they hadn't found those tricks, we would have lost the benefit of the things they did for society. I think it's a really important aspect.

Dr Pascal: Mr Chair, I don't know whether Mr Callahan wants me to respond.

Mr Callahan: No, it's more of a rhetorical question.

I've often been somewhat amazed watching some of these kids who can watch television and can recite the dialogue from a movie after they've seen it once. They can play it out as the person is saying it. Anyone who has had experience with these people will know they can recite the commercials that are on television verbatim before they even come on. That says to me that the visual image is very important to them: That's their world; they live in it. I would wonder why we don't—maybe we do already. I know they have film-strips in schools and a certain amount of television. I would think the emphasis should be on television and, oddly enough, I would say we should return to things like comic books.

That may sound weird, and I'm sure a lot of people watching will say, "We're going to spend our tax dollars on comic books?" But you may be helping some kid work his way through to a proper job or career or whatever simply by stimulating his desire to learn by giving him those few images through a comic book, for instance, Classics Illustrated. You're not old enough to remember that, but I certainly can. I passed my Greek and Roman history exam, St Michael's College over in the Drill Hall, by reading a Classics comic book. That's all I knew about the whole thing and I think I got a B-plus. So comic books are great. I'm a great advocate of comic books and movies.

That's why it's so important as well that we look at the technology that's available. Computers are another thing, although I think most kids with learning disabilities would find a computer very threatening unless it was extremely friendly.

I simply throw those out because those are things we should be studying in an effort to determine what kind of curricula or ideas the ministry would want to give, or the school boards would want to make in conjunction with the ministry, in terms of how do you deal with these kids.

Dr Pascal: All the suggestions and interventions you've talked about are probably at play in the system. It's really important to note that as we look at learning disabilities, we're looking at lots of different subsets. No individual learner, whether they're labelled one thing or another—what we have to focus on are individual, well-diagnosed needs, regardless of where they might fit on some kind of learning continuum.

The amount of good teaching out there is enormous. Good teaching, in this sense, is defined by teachers who understand that there's multiple modalities, many different ways of giving learners self-confidence. Each learner will develop that self-confidence to do more and to stretch themselves in different ways. There are teachers out there dealing with dyslexic kids who, when it's time to develop an essay, have the kids dictate their thoughts verbally because their verbal acuity is different from their writing skills, and then they transcribe what they've dictated on a piece of paper.

There are lots of different ways to try to intervene and begin exercising those neurological deficiencies that are connected to some of the learning disability syndromes. All of the suggestions and different approaches you've mentioned are probably at play in the system today.

Mr Villeneuve: Moving away from special-ed back to the curriculum, particularly the observations of the auditor regarding the delivery of French-language curriculum, we had extensive discussion on The Common Curriculum, which applies at present only to English and French immersion areas, as opposed to French curriculum as such. Maybe you could explain what's happening here.

Mr Richard Gauthier: The questions we've raised during the course of the last few days about The Common Curriculum will apply as well to French-language schools as they would to English-language schools. The auditor felt it important, because of the nature and the unique character of French-language education, to also spend some time looking at French-language education. Certainly some of the observations and comments made during the course of the two days would also apply to French-langauge schools.

Mr Villeneuve: Is The Common Curriculum in place in your French schools as of September of this past year?

Mr Gauthier: Yes, The Common Curriculum is at the same state. There's a French version and an English version of The Common Curriculum.

1430

Mr Villeneuve: The main difficulty in trying to provide quality curriculum from teachers' facilities to a small, widely dispersed population is cost-effectiveness. What within the ministry are you doing to address this, without cutting into the quality of education?

Mr Gauthier: Good question. The Common Curriculum and the policies it sets apply to French-language schools as they do to English-language schools. The difference is in the strategies you might use to implement it. In the case of French-language schools, a lot of effort is being made to bring the partners together. We've had a number of meetings with French-language supervisory officials from school boards all over the province about working together to get the necessary tools to implement The Common Curriculum. One of the things we are doing is making a joint effort. Whether it's from Sudbury or Ottawa or Toronto or Thunder Bay, the French-language community is working together in producing the second- and third-generation documents necessary for use in the classroom by French-language teachers.

Mr Villeneuve: Would these documents be primarily Ontario-produced, international, or Quebec-produced?

Mr Gauthier: When we talk about a program from The Common Curriculum, most school boards and schools will produce a program of study, and that will be Ontario-produced for Ontario schools. The resource materials and learning materials to accompany that can come from all over and be adapted to the situation in Ontario.

Dr Pascal: It's also important to reinforce the recent Council of Ministers of Education, Canada, agenda that was set in September of this past year in Victoria, which includes a major study of curriculum comparability: to examine, because of the economy-of-scale problems you and Mr Gauthier are referring to, curriculum comparability in other provinces, including the French-language parts of Canada outside Ontario, so we can begin looking at what can be used immediately and what needs adaptation. Obviously, it's cheaper to buy and adapt than to make. That's where, because of the numbers, we've had a problem, an understandable issue, with publishers in terms of their particular interest in the bottom-line profit margin.

Mr Villeneuve: To quote, "The main difficulty is in trying to provide quality curriculum teachers." Is that a major problem in delivering French-language education?

Mr Gauthier: We've had discussions with the Provincial Auditor's staff on this whole question to try to come to grips with the parameters involved. One of the things we've come to rely on is a study done in 1991 on the supply and demand of French-language teachers. There's no doubt that some areas of the province, such as the northwest or the south-central and southwest, have had difficulty in attracting French-language teachers. Understandably, a lot of teachers tend to focus more on those areas of the province where there might be a stronger French-language population, such as in Sudbury, North Bay or Ottawa. There is no doubt, though, that the teachers who are in the French-language schools are fully qualified teachers. There has been a greater reliance in getting some teachers from out of province, and the auditor talks about this, but it doesn't mean they're not qualified teachers.

Mr Villeneuve: It's simply more difficult—

Mr Gauthier: To attract them. To find them.

Mr Villeneuve: A statement is also made here that in certain grades, the textbooks in French might be only 50% of what you have available to a comparable English-speaking school. In your opinion, are the French texts you now have doing the job or do they leave something to be desired? It's seems to be disturbing the auditor, that there's not the quantity. But maybe the quality's there. I would like your opinions on that.

Mr Gauthier: The textbooks being used in French-language schools are fully approved textbooks and would meet the same criteria as the textbooks used in English-language schools.

There's no doubt that the quantity of learning materials is not the same because of the minority situation. The funding for English-language learning materials is widely available either from various levels of governments or private sector sponsors. I'll give you examples: the Energy Educators of Ontario, the Ontario Federation of School Athletics Associations, the Canadian Foundation for Economic Education, the Addiction Research Foundation. Those organizations have all received funds from time to time to produce English-language materials, and they come from a variety of sources. For example, the public media industry in Ontario, almost exclusively English, produces a wealth of materials for use in schools. A good example of that is work being done by the Toronto Star or the Globe and Mail, which make a business of producing educational packages.

The sponsors of learning materials do not always require as a condition of their support that materials be produced also in the French language. There's no doubt that just the milieu being predominantly English will

produce more learning materials in the English language than there are in the French language.

Dr Pascal: It's really important that the committee understand that we agree with the Provincial Auditor. There are initiatives in place and we hope they will solve the problem, but there is the economy-of-scale issue. We do have the curriculum development fund, we do have the Centre franco-ontarien in Ottawa, but we still need to figure out ways of providing more.

I don't want to leave you with the sense that we think everything's fine. That's where the pan-Canadian curriculum comparability will help, and we will do everything we can to evaluate whether the progress we're making is sufficient. If it's not, we'll do something about it.

Mr Villeneuve: Some of the commissioners on the royal commission have expressed some concern about the quality of education. Do you have any means of testing a graduate from the French system as opposed to the English-speaking system here in Ontario? Can you give us a general idea of how they compare once you have a graduate?

Mr Maurice Poirier: The assessment activities we conduct across the province include both French-language and English-language students, so when we conduct provincial reviews, which are large-scale sampling exercises, we always include a representative French-language sample. In some cases, because of the relatively small number of francophones in the province, the sample happens to be 100%, so to some extent we've seen a lot more testing in French-language schools than we have in English-language schools. But in all instances where we conduct tests, such as the national test of math last year, we always have two sets of results.

A very recent example is the results of the grade 12 provincial review. These results were released last month, and we had two sets to look at. The information showed different levels of achievement in some respects. But the answer is, quite simply, yes, we always do include French-language students.

Mr Villeneuve: It will be interesting to see what the recommendations of the royal commission turn out to be, especially when the auditor has shown some degree of uncertainty about what's happening within the delivery of French-language education.

Mr Robert Frankford (Scarborough East): Another way of comparing the effectiveness of and accountability for education is by international comparisons. It seems to get into the media a lot, where Ontario or Canada stand. Often one reads hand-wringing commentaries that we're worse in things like dropout rates. I suspect that a lot of that is comparing apples and oranges, that the methodology is inaccurate and that we're really basically like an average industrialized country.

1440

Dr Pascal: I don't think anyone around this table would want to have as a banner for anything we do in Ontario, "We're no worse than anyone else." It's certainly not a banner or a button I'm going to send home to my mother in terms of the activities I'm involved in. We want to be the best we can be. But you're quite right that the nature of comparisons do suffer from apples and oranges.

One of the problems is that in terms of the area we're talking about in these discussions, for example, the issue of setting clear standards and clear learning objectives and then providing good information about how we're doing, this isn't something that's been around for a long time, so the early work is going to suffer from methodological challenges.

In 1995, we will be part of the third mathematics testing, the TIMSS international testing project. That's a really important project for us to be involved in, but we also need to understand, if I'm not mistaken, that that particular approach to testing is norm-referenced. It is not the kind of competency-based approach we're trying to take in Ontario and through the CMEC, the council of ministers, but it's well worth experimenting and innovating to find out what we can learn.

We should be very cautious about doing a 20-second clip version analysis of our system compared to the Japanese or our system compared to Quebec. The variables at play are complex. Our willingness to actually measure and deal with and try to control some of those issues and variables is only a relatively recent phenomenon, and the willingness to do it is really key. The Ontario government is quite interested in being a major player in trying to move the issue of accountability for the school system in Ontario and Canada-wide forward, methodologically and otherwise, for the sake of the taxpayers and the learners in the system, now and in the future.

Mr Frankford: I was pleased to see this document the OSSTF has given us, which has a lot of detail to put things in perspective. It's unfortunate that the general public goes by the news clips.

Dr Pascal: My good friend and colleague Mr French is probably in the room, which is why you have some of those materials. I wouldn't suggest that everything in those fine materials should be taken as the final word in terms of the research challenges I've mentioned either. The materials I read that were distributed yesterday have some outstanding things that really do help the issue. There are a few other things in there that I'd certainly want to find out more about. I think it is helpful, but OSSTF has a role to play.

Mr Murphy: What an excellent politician. Where are you running?

Ms Poole: More importantly, who are you running for?

The Chair: Just to clarify the source of some of the information that was passed along yesterday, it was the brochure handed out by the OSSTF, is that correct?

Mr Duignan: And two other pieces.

Ms Poole: There's also a document on white paper.

The Chair: I wasn't here, so I don't have it.

Dr Pascal: The Ministry of Education and Training couldn't afford this particular one you got today.

The Chair: It's actually a very nice piece.

Mr Frankford: There was a CBC Sunday Morning

radio documentary a couple of weeks ago about international comparisons and also international approaches. One thing they talked about was what I think are called charter schools in the US. Are you familiar with those?

Dr Pascal: No.

Mr Frankford: I used to have a daughter in an alternative school in the city of Toronto. This new "discovery"—I think the one they discussed was in Minneapolis—sounded rather similar to what we already have in some places here; I know best the city of Toronto. I was wondering whether you were aware of it and would like to comment on the encouragement of alternative approaches within the regular system.

Mr Maurice Poirier: There is certainly room within the system to have different models of delivery for education. Indeed we encourage that, so long as the teachers involved in the program are fully qualified and are properly supervised. However, we do not set that up necessarily as the norm. In the instance you've identified, that is a particular program offered in the city of Toronto and it's well within the parameters of the Education Act and the regulations. Quite often in those programs we see innovative approaches being tried out and a lot of individualization. So long as the children achieve the outcomes specified at the provincial level, we feel this is quite appropriate.

Mr Marchese: One of the things you were going to follow up on was the question of literacy. Part of the point I was making earlier on is that parent involvement is one of the key elements in educational achievement, and connected to that is the literacy level of the parent. If we want parental involvement, with many of the parents we need to have adult education programs, literacy programs, for those who cannot read and write and some who need other kinds of adult education involvement.

Some boards take that as part of their mandate, as part of the continuum of education from primary education to adult education; some boards don't want to have that kind of involvement. I believe boards should be involved in adult education programs, literacy programs. What is the policy of the ministry in this regard?

Dr Pascal: As I said this morning in my preliminary response, the overall funding and responsibility for adult basic literacy is now with the Ontario Training and Adjustment Board; of course, this is to ensure that there's an integrated, lifelong learning approach for all those who need pre-labour-market training, entry/re-entry services. As part of the new approach, school boards will continue to be a major player, along with other community agencies.

What's really important to envision is not who should have the exclusive right or franchise in a community to do literacy or who should be out of the game, but how in our communities we can provide multiple access points for different learners to come in and get what they need in a coordinated way. We can't afford an uncoordinated way. It's not a question of whether the college should have the responsibility or a social agency, community-based agency or a school board; it's that we want to ensure that in communities there's real planning.

For some adults, seeing the school where they may not have done so well, seeing even the colour of the brick might make them a touch queasy. For other adults, that's precisely where they need to go. There needs to be geographical accessibility and emotional accessibility to get exactly what they need, when they need it. It's not a question of either/or but a question of having a very strong, community-based coordination. Sante Mauti is with me and may want to add or even correct something I might have just said.

Mr Sante Mauti: Actually, you made an excellent point about the parents needing literacy upgrading as well. In fact, what Charles was alluding to was building enough flexibility into the system through programs like some of the family literacy programs fund, where we have professionals or even volunteers going in and doing kitchen-table literacy with families on Saturdays or Sundays or at night, so they can continue working and get that type of training. It's an excellent point, that school boards are participating in those programs by sponsoring and working with community groups to deliver that type of family literacy training as well. What we're trying to build is a very flexible system around the many diverse needs you mentioned.

1450

Mr Marchese: I'm well aware of the philosophical questions around whether or not teachers should be delivering the program; whether they're trained, in fact, to deliver adult education programs. Many can't deliver an adult education program because they use a different kind of teaching model which is inappropriate for adults. And yes, you're right about whether the school is an appropriate space for some people who may have had difficult times with the schools. All of that is part of the debate about whether schools should be doing it, or colleges, for that matter, or simply the community groups that are delivering the literacy programs.

In terms of the ministry's philosophical approach to this issue, what funding or what flexibility does the ministry provide for boards to carry that out as a provincial initiative that we think is a good one? What are the limitations and so on?

Mr Mauti: We're sponsoring, and we've been funding for the last year and a half, a quality and standards project addressing those precise questions, getting together all the literacy deliverers in communities, and that includes school boards, community colleges and community groups. They have been working for the last year and a half and will be ready to come public in the summer and fall of this year with some standards, evaluation standards, quality standards and professional standards around teaching adults. The whole community has been involved for the last year and a half and we're almost ready with what is in effect a curriculum and a practitioner's guide for teaching adults and people with special needs around literacy.

Mr Marchese: We don't have the time to continue exploring the many questions I have around it. The main point I want to make, and then move on to another one quickly, is that when parents are learning to read and write in the school, part of the curriculum is to link up to

their children's education. As you learn to read and write, you actually use learning material as well so you have a sense of what students are doing in the classroom and the parent can key in on things their children can be doing. That's one of the essential points I want to make about the need for literacy, the need for ministries to say: "Yes, it's an important part of the continuum. Schools can deliver these programs. We'll fund adults the way we would fund students." Those are the points I wanted to make.

On the whole issue of integration versus segregation, philosophically, I believe integration is the way to go. I understand the concerns on this issue Mrs Cunningham is raising, along with Noel Duignan, but as we move to that integration model, I believe we must provide all the support systems that need to be there. If not, it will fail in the first five, six, seven years. Unless we bring in the supports as integration moves, that transitional period can be chaotic for the system, for teachers and particularly for students. I believe most of the needs could be met in an integrated classroom while allowing for some programs to be segregated because, yes, some students may not be able to be accommodated. I just wanted to make my statement in relation to these two approaches, that integration is the better way to go, but before we do it we need the support system.

Mr Duignan: I want to return to teacher education for a minute. We've had a chance to discuss this a little in the last couple of days.

In your opening statement on Monday, you mentioned that the teacher in the classroom is the backbone of the education system. During our discussion, we recognized the fact that Ontario has the lowest practical experience requirements in Canada and also that teachers are not required, in most cases, to have an academic background in the subjects they teach. In regulation 298, for example, teachers in the primary and junior divisions—that's up to grade 6—are not required to hold qualifications in any subject area. In the intermediate area, grades 7 to 8, they're required to hold one, and in high school they're required to hold two. Also in that regulation, it provides for boards to appoint, in cases of emergency, persons who are not teachers, or temporary teachers as defined in the regulations.

What's defined as a case of emergency? How long does that case of emergency last? Who are these people who are not teachers who can teach in the classroom? How long can they actually teach in a classroom?

Dr Pascal: That's a very good question. I myself am looking forward to the answer, and I'll ask Maurice Lamontagne to respond.

Mr Maurice Lamontagne: The regulation does require that an emergency is when a qualified teacher cannot be found and for the safety and welfare of pupils there needs to be a responsible adult in the classroom. The definition of that in the regulation is a person who is at least 18 years old and does have the minimum of a high school diploma and is a Canadian citizen or a person with landed immigrant status. Essentially, that is the minimum the regulation requires.

In many, many cases what the school boards do is hire people who are qualified as teachers but not presently involved in teaching full-time. Most school boards keep a supply list, a list of people who are qualified or who are experienced in coming into classrooms on an emergency basis who are reliable adults. This is to a maximum of 10 days. Beyond that, the board has to go through the exercise of finding someone who is qualified.

Mr Duignan: There still is the point that for up to two school weeks there could actually be somebody over the age of 18 in the classroom teaching something he or she actually knows nothing about.

Mr Lamontagne: That is correct.

Mr Duignan: Is that something we need to revisit and take a look at, redefine that regulation?

Dr Pascal: The whole area, the question you raise today and the discussion you raised yesterday or the day before, is really crucial and a subject that the royal commission, I expect, will have something to say about. There are some real issues, as you've suggested, in terms of comparing our situation with other jurisdictions. Again the research would indicate that we have to have a finer analysis of it in terms of whether we're comparing apples and oranges. But the issue of certification, qualification and updating is extremely important, and we look forward to the royal commission's response on it.

Mr Maurice Poirier: I'd like to add that behind every law there's a reason. As Maurice explained a while ago, we have to have a fallback position. I'm not commenting on whether the qualifications are appropriate. I'm just saying that there's a need for a mechanism by regulation that will permit school boards, in cases of absolutely no one available, to have access under the law to an adult to bring into the classroom. It does not make it the norm, but it certainly permits school boards to legally bring someone in.

Your point is well taken. As we've said here, we need to look at the essence of the qualifications of that person, but the fact remains that school boards need legal authority to bring someone into the classroom with children. That's the reason behind it.

Mr Duignan: I understand there could be circumstances like that, but I do have a concern that we could have someone over the age of 18 in a classroom for up to two weeks with no qualifications to teach or impart knowledge to the pupils in that classroom.

Mr Maurice Poirier: There are some instances in remote parts of the province where such people are very difficult to find, and the law has to provide for those limits.

Mr Duignan: Given that situation—and I give credit to the legislative research; they pose a question in here along those lines—is there a need to update and tighten the regulations governing teachers' certification rather than continue to delegate responsibility to the faculties of education?

Dr Pascal: As I suggested yesterday, as with our discussions in these three days of dialogue on other issues—special education being a really good example, changing towards a new curriculum, testing—in order to ensure that teachers are prepared with self-confidence

throughout their careers and given the proper support they deserve and need, given the issues raised in the Provincial Auditor's report around teacher education, there's a need for quality assurance and consistency and whether or not something major needs to be done.

I'll have to stand down from answering that on the record. I have my own personal ideas about what should happen. I have a great deal of respect for Madame Bégin and Mr Caplan and their commissioners to come in with something that will respond to that. It's an area of exceptional importance and I think what's required is something rather bold, but I really don't want to say more than that.

1500

I can say that three days ago I received a report about what's taking place in Nova Scotia with respect to faculties of education and the recommendations to come out of that. Two of its authors are well-known Ontario educational leaders, and there are some fairly bold things you can read there.

But I think we're going to have to wait, publicly, for the learning commission to report. I don't want at all to diminish the importance of the need for your question to be answered. It's not timely for me to give you a direct personal opinion because the commission's work is not done.

The Chair: We can continue if members so desire, but we've had a go-round for each of the parties, and at this point I think we would say to the deputy that we've had you here long enough for the last number of days. Thank you for your cooperation and your thoroughness, and we'd like to hear back from you at some point in the next little while. I believe we're sitting again in March.

Mr Murphy: Mr Chair, has the deputy any concluding comments he'd like to make before we end?

The Chair: I will allow him to do that. I was just going to point out that we do have a number of issues that perhaps we could deal with and get some further direction from you about what your plans are to move in those areas. You may want to elaborate in your concluding remarks.

Dr Pascal: I would be delighted to come back. My colleagues, who are behind me and beside me in more ways than one, have heard me say behind your backs, as we prepared for dealing with public accounts—in fact, they've heard me talk about my personal respect for the public accounts process. They have seen and I have felt in the three days of our discussions that this experience was incredibly constructive.

I've been here before, as some members know. This is the most non-partisan experience I've experienced as a bureaucrat who's been around Queen's Park for about seven years. The manner in which all members contributed to the public agenda, through constructive questions and following each other's line of questioning when that was appropriate for the sake of the agenda as opposed to partisanship, was of great benefit to the people of Ontario.

I must say by way of accountability and feedback, because it goes both ways, that has not always been my personal experience. I don't want to back off from putting that on the record. For me, this has been incredibly important.

The Provincial Auditor as well has our thanks; not always creating a great level of comfort, because some of the areas for which we are obviously in need of change cause discomfort and a touch of pain. But in the areas of special education with respect to the kind of monitoring and tightening up that has to happen, the improvement of the IPRC process, the issues we discussed around the special education advisory committees, the work that will be done as a result of this process will pay off and it's been extremely valuable.

In the area of accountability, where we need to continue the work that has begun in terms of setting clear learning outcomes and providing the people of Ontario—including more involved parents and more involved teachers in the process—the discussion has been excellent and, quite frankly, quite satisfying in terms of the reinforcing comments.

From my point of view, this has been extremely positive. I just wanted to say that, because when I said at the outset of my concluding remarks that I would be delighted, there will be those watching this who've had other experiences who think: "There's a bit of politics. What do you mean, you'd be delighted to come back to public accounts?" I would be delighted because it advantages the most important agenda, and that's not the agenda of an individual ministry but an agenda that is extremely important to the taxpayers of this province.

My last comment is to Mr Callahan. I am a little slow in terms of responding constructively to some of the issues you raised about learning disabilities and Correctional Services. As I began to reflect further, I recalled that Dr Daniel Fader, an English professor at the University of Michigan, wrote a book about 20 years ago—I will try to get you a copy of it—called Hooked on Books. He worked in the prison system of the United States, Michigan in particular, with a very broad band of learners with lots of difficulties, both social and academic, and through a process of using different approaches he developed the use of books as currency in the prison, not cigarettes. It's a fascinating study. I'm sorry to say he was a professor of English instead of one of my brothers or sisters in the field of psychology, but I will try to get that book for you. It might be useful to your discussions next week.

The Chair: Thank you once again for being thorough and for making us feel good on the public accounts committee once in a while. We look forward to hearing from you again because we know it will advance the agenda, as you say, in this critical area. We want to explore some of these areas with you in the future.

We're going to move to an in camera session for the last hour or so of our deliberations.

The committee continued in closed session at 1508.

CONTENTS

Thursday 20 January 1994

Annual report, Provincial Auditor, 1993: Ministry of Education and Training P-455

STANDING COMMITTEE ON PUBLIC ACCOUNTS

*__Chair / Président:__ Cordiano, Joseph (Lawrence L)
*__Acting Chair / Président suppléant:__ Duignan, Noel (Halton North/-Nord ND)
*__Vice-Chair / Vice-Présidente:__ Poole, Dianne (Eglinton L)
*Bisson, Gilles (Cochrane South/-Sud ND)
*Callahan, Robert V. (Brampton South/-Sud L)
*Frankford, Robert (Scarborough East/-Est ND)
Marland, Margaret (Mississauga South/-Sud PC)
*Murphy, Tim (St George-St David L)
O'Connor, Larry (Durham-York ND)
Owens, Stephen (Scarborough Centre ND)
*Perruzza, Anthony (Downsview ND)
Tilson, David (Dufferin-Peel PC)

**In attendance / présents*

Substitutions present/ Membres remplaçants présents:
Akande, Zanana L. (St Andrew-St Patrick ND) for Mr O'Connor
Cunningham, Dianne (London North/-Nord PC) for Mrs Marland
Haeck, Christel (St Catharines-Brock ND) for Mr Owens
Jordan, Leo (Lanark-Renfrew PC) for Mrs Marland
Marchese, Rosario (Fort York ND) for Mr Frankford
Rizzo, Tony (Oakwood ND) for Mr O'Connor
Villeneuve, Noble (S-D-G & East Grenville/S-D-G & Grenville-Est PC) for Mr Tilson

Also taking part / Autres participants et participantes:
Ministry of Education and Training:
Doris, Jim, project leader, education finance reform, strategic funding team
Ferren, Peter, education officer, program policy support team, special education policy unit
Gauthier, Richard, leader, French-language education and programs
Lamontagne, Maurice, education officer, program policy support team, teacher education policy unit
Manti, Sante, director, youth employment services branch
Mason, Ron, education officer, central Ontario region
Pascal, Dr Charles, deputy minister
Poirier, Maurice, leader, curriculum and assessment team

Clerk / Greffier: Decker, Todd

Staff / Personnel: Anderson, Anne, research officer, Legislative Research Service

CA2ON XC21 -P72

Publications

P-24

ISSN 1180-4327

Legislative Assembly of Ontario

Third Session, 35th Parliament

Assemblée législative de l'Ontario

Troisième session, 35e législature

Official Report of Debates (Hansard)

Tuesday 25 January 1994

Journal des débats (Hansard)

Mardi 25 janvier 1994

Standing committee on public accounts

Comité permanent des comptes publics

LIBRARY ... Toronto

Annual report, Provincial Auditor, 1993

Ministry of the Solicitor General and Correctional Services

Rapport annuel de 1993 Vérificateur provincial

Ministère du Solliciteur général et des Services correctionnels

Chair: Joseph Cordiano
Clerk: Todd Decker

Président : Joseph Cordiano
Greffier : Todd Decker

Published by the Legislative Assembly of Ontario
Director, Hansard Reporting Service: Don Cameron

Publié par l'Assemblée législative de l'Ontario
Directeur, Journal des débats : Don Cameron

Hansard on your computer

Hansard and other documents of the Legislative Assembly can be on your personal computer within hours after each sitting. Sent as part of the television signal on the Ontario parliamentary channel, they are received by a special decoder and converted into data that your PC can store. Using any DOS-based word processing program, you can retrieve the documents and search, print or save them. By using specific fonts and point sizes, you can replicate the formally printed version. For a brochure describing the service, call 416-325-3942.

Index inquiries

Reference to a cumulative index of previous issues may be obtained by calling the Hansard Reporting Service indexing staff at 416-325-7410 or 325-7411.

Subscriptions

Subscription information may be obtained from: Sessional Subscription Service, Publications Ontario, Management Board Secretariat, 50 Grosvenor Street, Toronto, Ontario, M7A 1N8. Phone 416-326-5310, 326-5311 or toll-free 1-800-668-9938.

Le Journal des débats sur votre ordinateur

Le Journal des débats et d'autres documents de l'Assemblée législative pourront paraître sur l'écran de votre ordinateur personnel en quelques heures seulement après la séance. Ces documents, télédiffusés par la Chaîne parlementaire de l'Ontario, sont captés par un décodeur particulier et convertis en données que votre ordinateur pourra stocker. En vous servant de n'importe quel logiciel de traitement de texte basé sur le système d'exploitation à disque (DOS), vous pourrez récupérer les documents et y faire une recherche de mots, les imprimer ou les sauvegarder. L'utilisation de fontes et points de caractères convenables vous permettra reproduire la version imprimée officielle. Pour obtenir une brochure décrivant le service, téléphoner au 416-325-3942.

Renseignements sur l'index

Il existe un index cumulatif des numéros précédents. Les renseignements qu'il contient sont à votre disposition par téléphone auprès des employés de l'index du Journal des débats au 416-325-7410 ou 325-7411.

Abonnements

Pour les abonnements, veuillez prendre contact avec le Service d'abonnement parlementaire, Publications Ontario, Secrétariat du Conseil de gestion, 50 rue Grosvenor, Toronto (Ontario) M7A 1N8. Par téléphone : 416-326-5310, 326-5311 ou, sans frais : 1-800-668-9938.

Hansard Reporting Service, 481 Legislative Building, Toronto, Ontario, M7A 1A2. Phone 416-325-7400. Fax 416-325-7430

STANDING COMMITTEE ON PUBLIC ACCOUNTS

Tuesday 25 January 1994

The committee, following a closed session, met at 1132 in room 151.

ANNUAL REPORT, PROVINCIAL AUDITOR, 1993

MINISTRY OF THE SOLICITOR GENERAL AND CORRECTIONAL SERVICES

The Vice-Chair (Ms Dianne Poole): Welcome to the public accounts committee, as we move into open session. Today we'll be looking at section 3.17 of the auditor's report, which relates to the Ministry of the Solicitor General and Correctional Services, institutional services.

I would like to introduce our Provincial Auditor and ask him to introduce staff with him today.

Mr Erik Peters: With me today is Jim McCarter, executive director in my office, and Rudy Chiu, the manager in my office.

The Vice-Chair: For the balance of the morning, we will probably be dealing almost exclusively with the ministry presentation. I welcome the Deputy Solicitor General and Deputy Minister of Correctional Services, Michele Noble, and please introduce your colleague.

Ms Michele Noble: Neil McKerrell is the assistant deputy minister of the Correctional Services division of the ministry. He will be here during the proceedings assisting me, as well as other staff we will introduce as we move into other discussions later on.

Let me start by saying to the members of the committee on behalf of myself and the staff that we certainly welcome the opportunity to meet with the committee to discuss the report the Provincial Auditor has brought forward on the institutional services. We're looking forward to the opportunity to look at the concerns that have been raised, to respond to both the auditor's comments and also the concerns committee members might have in terms of the issues raised in the report.

It's also fair to say that we see this as an opportunity to increase awareness generally and understanding of correctional services. It's not an area that is necessarily well understood by members of the public in that it tends to be away from the day-to-day experience of most people. It's a welcome opportunity to have a dialogue about the issues and some of the stresses in the system.

What I'd like to do this morning is take a few minutes to provide a brief introduction and overview of the institutional services themselves and then highlight some of the key areas in the audit report. I think what would be most helpful as we conclude, for both the committee and for ourselves, is to have a bit of discussion about what approach we might want to take to the various sections of the report over the next three days to make sure we have appropriate staff here.

The auditor, in looking at Correctional Services, has focused in on the operation of the institutions themselves, which is a part of the responsibility of the Correctional Services division. It is the institutional part. The report did not deal in detail with the probation community programs the ministry operates.

Relevant to that is that in Ontario only a fraction of those who are under the supervision of Correctional Services are in institutional custody. About 87% of offenders are in the community as opposed to the institutions. I think that's a key factor in terms of understanding the relative proportion of and roles played by the different parts of the system. The issue of community programming is one that has been raised, and as the days and discussions proceed we look forward to the opportunity of talking to the committee members about what community programming means, what the opportunities are there, how it works currently in Ontario.

In terms of the institutions themselves and institutional custody, obviously one of the major concerns is that it function well, a recognition of the concern there has to be for public safety with regard to that type of custody. In terms of understanding how it functions, one of the facts to note is that the average length of sentence in Ontario for males is 75 days and the average length of sentence for adult female offenders is 56 days, very much reflective of the limitation in the provincial system to sentences of two years less a day. Anyone with sentences beyond that moves into the federal system.

In terms of young offenders, obviously the majority of young offenders are in the system for up to three years. With recent changes, there may be a few who would be in our system up to five years. In Ontario we deal with the 16- and 17-year-olds only within the Ministry of Correctional Services, the younger group being dealt with through the Ministry of Community and Social Services.

Also worth noting is that on any given day in our institutions, up to one third of those who are in the institution are there on remand, ie, awaiting their dates in court, as opposed to being there as sentenced offenders. That's certainly of operational significance to us in terms of people on remand needing to have proximity to lawyers, proximity to courts, access etc, so that's something we do need to manage.

In terms of what it is we're trying to do within the institutions, we take very seriously our responsibility to provide secure, humane accommodation and programs in respect to the dispositions that have been brought forward by the courts. We clearly recognize the importance of maintaining public safety. One of the things we attempt to deal with is to provide an environment in which there is the opportunity to encourage change, personal change, among the offenders. Those points are all key to the way we go about doing our business.

On the last point, we recognize there are limits in what can be accomplished with those offenders who are with us for very short stays. However, we attempt to make sure there are opportunities and programming even for those very short-stay offenders. We have some in the

system who are there for much longer terms and we have appropriate treatment programs to respond to their needs.

1140

Obviously, one aspect of Correctional Services is that we very much are not in control of our workload. I guess that's the best way to express it. The volume of work is dictated by many factors in terms of the operation of the justice system, and we need to be there in order to respond to that. When there needs to be supervision or a bed, we have to be in a position to provide it. This fact does impact the way we operate and the way we go about our business.

It's certainly well known and understood that one of the pressure areas is in and around the Golden Horseshoe, particularly the Metro Toronto area. We have had for some time pressures in terms of numbers in the institutions in those areas. As we get into the discussions, we can talk about some of the things we do to try to manage that pressure.

Having said that, it's also fair to recognize that there are other parts of the province where there are seasonal patterns that may influence the utilization of the institutions. It may be that there is just the need to have institutions in proximity to other services but that those institutions are not necessarily being used to full capacity on a steady basis. We attempt to manage that, but the facts are certainly ones we will look for an opportunity to discuss with the committee, because they do influence how we have to look at managing the operations in terms of the cost issues which we're obviously here to pursue.

Another element in how the institutions are operated is to reflect on the nature of the offenders we're dealing with. The inmates themselves generally have been underemployed. They are not at the average levels of education levels in general. They frequently have many health problems because of the environments they've been living in. Many do have drug dependencies or alcohol dependencies. In fact, there has been some perception of increase over the last while in terms of people with those problems.

Our sense is that up to 15% of the inmate population currently have need for some sort of psychological-psychiatric help. The report of the auditor does raise comment in terms of the treatment programs. We want to go into some of that discussion, but also to leave with the committee the sense that we recognize its significance as an issue in the population we're trying to manage.

One of the other elements that has been brought out in the report, and we would like to spend some time with the committee looking at it, is this question of the relative efficiency of our newer institutions compared to the older institutions. What I hope will be of particular interest to the committee is the age of the Ontario system compared to those in other provinces and some of the elements that relate to the operations in older facilities in particular. It's worth noting that more than half the institutions in Ontario were built before 1931, and in fact 14 of our institutions are more than 100 years old.

Having said that, we also need to recognize that many of these smaller and older institutions are in smaller communities right across the province, and we need to balance size and reconfiguration considerations against the service issues and the interests of local communities.

Before turning to the report itself and its findings, I would just like to make a comment on behalf of the staff in the ministry, that the organization does very much take seriously its mandate in terms of public service within this province. Speaking for the employees, administrators and a lot of the volunteers who work with us, there's a sense of that responsibility and the need to make sure that's exercised in a very responsible way as duties are carried out. As we go through the days, there may be an opportunity to get a sense of how difficult some of the work that actually needs to be done by the staff is, in terms of some of the circumstances they face. Hopefully, the professionalism of our employees generally is something we can recognize.

Turning to the report itself, the majority of the report really deals with issues related to cost-effectiveness. They have raised points about both the staffing and some of the programming issues. The report speaks to issues with respect to security, and there's also the section in terms of program evaluation and more general comments about programming. For us, there are three cadres or three umbrellas under which we would see the findings.

Dealing with security first, more as a reflection of the business of corrections than anything else, the report has made recommendations that the ministry should take steps to strengthen its procedures. Certainly we all recognize the importance of security in the correctional setting, both in terms of public interest and also—and this is important—for the safety of our own staff working in those institutions.

The recommendations went on to comment that "instances of non-compliance with security policies and procedures should be followed up at the corporate level." In responding to the report, and we can elaborate in more detail with the committee, the ministry certainly agrees with the need for continuing vigilance in the area of security, and we've noted changes that have been made to enhance the accountability for security within our operations. A decision has been made to change the time lines on the security compliance reviews from every two years to once a year, so consequently each of the institutions will be reviewed on an annual basis. We've also taken the step of putting in place a committee of senior managers to ensure the appropriate follow-up in response to the security recommendations. We can spend some time with the committee, if you wish, going through some of the aspects we check for in those compliance reviews and talk a bit more about the changed procedures we've put in place to ensure this all takes place.

However, the Provincial Auditor's report did note that critical incidents within Ontario institutions are on a par with other provincial jurisdictions. Worthy of note is that if we look at the security breaches that resulted in escapes from the institutions, it's less than half of 1%. One is not acceptable, and I certainly understand the concerns of the committee members, but in terms of the volumes of inmates we have through the institutions over a time period, that speaks to the seriousness with which

the managers and people within the system do treat this issue.

Turning to the issue of the cost of operations, the auditor has looked at several areas to be addressed. Our sense is that the real focus in questions that have been raised here and things we'll want to be spending time with the committee on revolve around the issues of our staffing costs and what have been the underlying factors contributing to the increase in numbers of staff and cost of staff in the system over the period the auditor examined.

1150

Just stepping back a moment, the auditor also noted, and I think this touches on the earlier comment I made with respect to the buildings, that with our newer facilities Ontario does manage and operate those facilities at a per diem level more efficient than the national average. What we're really dealing with is in some ways almost two systems: the newer institutions, which have been built in the recent past and are structured to assist in making sure we're as cost-effective as possible, and the older and smaller institutions, which, because of their age and configuration and a number of other factors, do draw more resources. I think we'll want to pursue just exactly how much those factors can contribute to staffing requirements.

In terms of other areas the auditor has raised, he's also commented on the question of the salaries and benefits rates here in Ontario. We can have some further discussion of that with the committee in terms of what that looks like.

In terms of the other elements contributing to costs, and I referenced this earlier, the nature of the program that may be taking place in a particular institution or part of an institution will have an impact on staffing. For instance, the situation and the way we staff units for young offenders compared to the way we might staff units for a general population of adult males would be different. Similarly, the staffing we might have in a treatment facility would be different from the staffing we would have in a general population of adult males.

We will be open to discussing all of those factors with the committee in terms of understanding how those factors interplay with one another in suggesting the number of staff we need.

Having said all of that, however, we need to note that the ministry was in the process of undertaking a staffing analysis. This had begun during the period the audit was being undertaken, and we are just now in the process of getting the final results from that staffing analysis, which will give us a much better picture of staffing in the individual institutions. We will want to spend some time with the committee in talking about how we might use that, plus some other work we will be undertaking, to make sure we are managing the institutions and dealing with the staffing question in the most cost-effective way possible.

One of the key points related to the issue of staffing costs, and certainly the ministry shares the concern the auditor has raised, is the issue of attendance and absenteeism within our organization. The report raised the point that we should be doing a more effective job of monitoring the use of sick leave and ensuring there is a more responsive monitoring capacity in place in the various institutions.

We would like to spend a little time talking about some of the variability in the absenteeism we have within the system, and then talk to the committee about the review and our plan to essentially take an approach which says: Where do we have some best practice programs in place within the institutional system and how can we move those into the other institutions? We'll want to talk to the committee about that.

Since the audit has taken place we've also begun some discussions—they're preliminary at this point—with OPSEU in terms of the general issue and are looking forward to some further discussion with them about what kind of approach or study could be done in a more collaborative way with them to look at some of the factors underlying issues that relate to this subject in the institutions. We look forward to working with them in trying to get at this issue.

I've talked already about the question of the buildings and won't spend time now going back over that, other than to say that as part of a review of our operations in general, we will be looking at the question of use of facilities. The recommendation that we look at business cases that include operational efficiencies as a component in looking at capital projects coming forward is something the ministry management is going to be doing.

The auditor raised a suggestion in terms of electronic equipment in security applications, and that's certainly an area we can talk further about with the committee. Again that is something that will be examined as part of this consideration of how we operate the institutions, as we deal with this subject within the existing institutions and what kind of investments would be needed to make changes there. Some of our buildings, obviously, lend themselves to these kinds of approaches more than others.

In terms of the programming, the auditor recommended that we "should strengthen [our] efforts to liaise with the judicial system to determine whether community programs could be better utilized." The ministry is supportive of that, and in our response we made reference to ongoing discussions we are having with our colleagues in the justice system and also those in the other parts of the system: social services and health etc.

In terms of the community programs, though, we probably will want to spend some time with the committee on the fact that we need to almost take one step back from how we use community programming when individuals are sentenced into institutions, against the backdrop of the sentencing pattern of judges here in Ontario. The auditor has noted that of those sentenced into institutions, there is a difference, on a percentage basis in Ontario, of those who are then into community programs through that part of the system when compared to other provinces. But we also need to recognize—and this really gets back to the issue of who's in the community—that the Ontario sentencing pattern varies from other provinces as well. In other words, we have a much

higher proportion of offenders who are sentenced by the courts to probation as opposed to being sentenced to the institutions in the first instance. I hope it will be of interest to the committee to look at some of those statistics so we can have a dialogue around the community program in relationship to the institutional settings.

The report makes specific mention of the issue of offenders with mental disorders, and in my earlier comments I noted the proportion of offenders that we feel do have difficulties. We are working with the Ministry of Health and the Ministry of Community and Social Services and we can provide an update on some of the work we are doing, particularly with the Ministry of Health around offenders with mental disorders. Those are topics we'll want to cover. There has been a renewed interest in discussion and a sense of priority for having those discussions take place between the Ministry of Health and ourselves that we see very positively in trying to deal with some of these issues.

The last area the report dealt with was the question of the objectives that have been set by the ministry, particularly this question of creating a supportive environment for change. The response provided by the ministry is to indicate that there had been, at the time of the ministry integration, a very substantive exercise in strategic planning undertaken in the former Ministry of Correctional Services. The integration of the two ministries has had an impact on the timing of that. The senior management group of the now integrated ministry is taking on the responsibility of coming at setting strategic directions for the organization as a whole. We're engaged in that exercise and, as part of that, looking at the question and directions with respect to corrections will be very much part of the work we do. That's a work in progress; it's not yet completed.

1200

However, we have been doing some work in terms of our ability to have statistical information available through our systems and to make improvements there. We can be updating the committee in terms of that particular work as we go through the discussions.

That completes what is obviously just a very general overview as an introduction from the ministry's perspective. I hope I've been able to give some indication of what we perceive to be the areas the auditor's report calls for dialogue with the committee about, and I look forward to your comments or feedback on that.

I should mention a couple of specifics. The ministry has, through the committee's offices, made the offer to arrange for a tour of an institution in proximity to Toronto. We had suggested the Toronto Jail, but I would leave it to the committee, both in terms of whether they wish to take up that invitation or whether that is a site the committee would be interested in seeing. From our perspective, it offers an opportunity in terms of its proximity, but also one gets a sense of the busyness of the system and probably a sense of the diversity of inmates we deal with within the system as a whole. I just leave that with the committee as an offer. If you could let us know, hopefully today, it would facilitate making our arrangements if you wish to take us up on that.

Second, we have a short video we can use if the committee is interested. It is a video we use at job fairs looking at people who may be interested in corrections as a career, so that's the focus of the video. It's relatively short, about 15 minutes. The advantage is that it gives a sense of the range of the business of corrections in the institutions.

That aside, what we had been going to propose, given the time over the next three days, is that we might want to look at the security issue first, as it's a reasonably self-contained discussion and we could deal with that, and then move into the much more broad-ranging discussion of the cost issues when we move beyond today. Obviously, if we've finished with the one, we could start.

Preparatory to all of this, we'd like to provide a more detailed overview of our operations, if that would be of interest to the committee. I just put that out for your consideration. If it pleases the committee, we may want to start the afternoon with that overview and then we could take direction from the committee from there.

The Vice-Chair: Thank you very much for your presentation, Ms Noble. You brought up several questions with reference to how we're going to proceed.

First, regarding your suggestion about a visit to a correctional institution, while I think the idea generally was quite well received by committee members when we discussed it in camera a bit earlier, there were a couple of concerns relayed in committee about timing, whether we would have time this week to do it or whether it might be more appropriate to schedule when the House comes back into session. Second, there was some discussion of the type of institution we would like to visit. We will try to get back to you later today. We are going to meet briefly in camera at the end of today's session, to see how much we have managed to get through today and whether we feel there would be time.

With reference to the 15-minute video, that is not a problem for us. We can use broadcast services to show it on the monitor and it would be televised to the public at the same time. The slide show would be somewhat more problematic. We have had technical problems in trying to do that while it's televised. If you could provide a hard copy to members, that might be a more appropriate way to proceed.

Mr Robert W. Runciman (Leeds-Grenville): Other members may not agree with me, but when we're talking about a video for potential employees, I would rather they make it available for anyone interested in viewing it. We're dealing with the auditor's report and time for questioning. Quite often—and this is no reflection on our witnesses—the ministries that appear before committees often have these kind suggestions which indeed have the effect of minimizing the opportunity to ask questions. I hope the committee would keep that in mind.

The Vice-Chair: If other members of the committee feel the same way, we could perhaps suggest that we show the video at 1:45 via television and members who are interested in seeing it could come early to committee today. Either that or we could show it at 2 o'clock. Any comments?

Mr Robert V. Callahan (Brampton South): I join Mr Runciman. It might be all very interesting to see this film, but we've normally conducted our business without the introduction of commercials, and I really don't see any point in it. I thank the deputy minister for the offer, but I agree with Mr Runciman. The purpose of this committee hearing is to get at the problems identified by the auditor, to dig into it and determine whether any solutions have been arrived at, or perhaps suggestions might be made by members of this committee about how the matter might be dealt with. I certainly don't see any function of it.

Mr Noel Duignan (Halton North): I tend to agree as well. We are dealing with very specific issues in the auditor's report, and this is basically a recruiting video. I feel it should be shown at quarter to 2 or whatever. It doesn't pertain to the auditor's report.

The Vice-Chair: Would members like it shown at 1:45 so that anybody interested can see it?

Mr Gordon Mills (Durham East): I would think that's appropriate: If you want to be here at 1:45 to see it, you can. That would resolve the issue and the concerns of Mr Runciman.

The Vice-Chair: I thank the deputy minister for her offer. We will show it at 1:45, and I apologize in advance to broadcast services staff who have to come back from lunch a little early. We appreciate their indulgence.

Mr Callahan: Have you checked with them whether they will be back early?

The Vice-Chair: You never ask the question, Mr Callahan, unless you're prepared to live with the answer. It's better not to ask it.

Mr Anthony Perruzza (Downsview): Can I just make a point? I had my hand up. Quite often we finish our day early; we're scheduled to sit till 6 o'clock but we finish at 4:30 or quarter to 5 or 5 o'clock. I have no problem in staying till 5:15 or 6 o'clock and seeing the video at 2 o'clock. I'd find it informative, and in all fairness to the broadcast staff and everyone else, I don't think that would be a big deal.

Interjection.

Mr Perruzza: Well, that's fine as well. I don't think it should be that big a deal or that big an issue. It's part of our work.

Mr Callahan: This member perhaps is not as familiar with this committee as he should be, because I don't ever recall it being till 6 o'clock. I wouldn't want someone out there to get the impression that we break early. We don't. We've sat here beyond what is the traditional time of either 4:30 or 5. It may be that the member is in and out and has not quite attuned himself to the timing of the committee as we sit here. Perhaps we should clarify that issue.

The Vice-Chair: Normally, committees do sit until 5 unless in certain circumstances; for instance, if we're travelling and there is an extensive agenda, we have extended it to 6. But normally it is 5 o'clock, mainly because members usually have an hour or two of work back in their office waiting for them.

Mr Mills: Can we test quarter to 2?

Interjections.

The Vice-Chair: The suggestion, which seems to now have consensus, is that we will show the film at 2 o'clock.

Mr Callahan: No, quarter to 2.

The Vice-Chair: Thank you. I thought there was a change in the sea wind there, and I was surprised. At 1:45 we will show the video. We've now discussed that for 10 minutes, so I think we're helping defeat the purpose. After the video at 1:45, we will then commence the official proceedings at 2 with the auditor's comments, and then we'll go into 20-minute rotations of the three caucuses.

Mr Mills: What's the order of rotation?

The Vice-Chair: I'm alternating it. Last week I started with the government, this week I'll start with the official opposition, and if I'm still in the chair next time, I'll start with the Conservatives. The public accounts committee will stand adjourned till 1:45.

The committee recessed from 1211 to 1404.

The Vice-Chair: Order.

Mr Mills: Madam Chair, I wonder if I might start off and ask a question that I think is pertinent in so far as process. This morning we heard the deputy minister make some suggestions about how we should proceed over the next three days, and maybe everyone silently is agreeing to that, but I didn't hear any affirmation that that was the process that was going to take place. I'm not asking on behalf of the deputy; I'm asking as a member of this committee: Are we going to do that, or how do other members see this unfolding?

Mr Callahan: Point of order.

Mr Runciman: Point of order.

The Vice-Chair: Mr Callahan, Mr Runciman.

Mr Callahan: A committee makes its own rules and runs the operation the way it wishes to run.

Mr Mills: Exactly.

Mr Callahan: I think the deputy minister indicated that she was suggesting this. I don't think there's any—certainly not on my part, and I can't speak for Mr Runciman. I think we're here to do a job and we're going to do the job, and that isn't necessarily going to be following the very kind suggestions of the deputy minister.

Mr Runciman: Along the same lines, Madam Chair, I thought we were going to start questioning now, and I think you indicated to the members of the committee earlier that afterwards we were going to go in camera and discuss the sort of thing Mr Mills is talking about. We have the deputy and other people from the ministry before us for a specific purpose today and I don't think we should get into this sort of discussion while they're here. I'm sure they can be doing more valuable things when we're sitting in committee discussing what the committee is going to do.

The Vice-Chair: Thank you, Mr Runciman, for the input. As Chair, I did recommend earlier on before we

adjourned that the committee would make a decision later today, depending on our afternoon session, if we felt we would need the full balance of the two days to discuss the matters or whether in fact we would like to see a couple of correctional institutions during this particular week. So we will try to get you an answer either at the end of the day, or if ministry staff has left by that stage when we finish meeting, then we would certainly let you know first thing in the morning, particularly if we do want to go ahead this week with a viewing of some of the centres.

I think, just before we go into questioning by members, the auditor did have a couple of comments.

Mr Peters: Just a very brief opening statement. I just would like to emphasize that in our audit we did find in the ministry that the mandate is taken very seriously, that there's a great sense of responsibility, that it is difficult work, and we would like to express our appreciation for the cooperation we received during this audit. We felt that senior management dealt with our audit observations in an objective and constructive manner and that the ministry was quite receptive to our recommendations that we made.

Overall, we are in the position we talked about in 1987, measuring and reporting on the ministry's effectiveness in meeting the program objective, and I think that was the emphasis again in our report this year. So I hope our report will serve for the members as a catalyst for action to deal with this very difficult situation.

The Vice-Chair: Thank you, Mr Peters. We'll begin questioning by members and we'll start with the official opposition. First Mr Callahan and then Mr Murphy.

Mr Callahan: Can you tell me when that video was made?

Ms Noble: I don't have the exact date. I'll check. It obviously was made some time ago. In fact I was going to make the comment at the outset that some of the facts have now changed organizationally. It doesn't reflect the integration of the ministries and it doesn't reflect the fact we've done some organizational change from five to four regions.

On the question of the date, I will ask whether one of my staff can perhaps give the exact date when it was made.

Mr Callahan: I'm just curious. Has it been made in the last year?

Ms Noble: No, it has not.

Mr Callahan: The last two years?

Mr Neil McKerrell: I believe it was 1992.

Mr Callahan: Do you know what the cost of that video was? Maybe you can get that information for us too.

Ms Noble: I certainly can provide that information to you. Perhaps if I can just elaborate and again confirm that the purpose of it—and we've used it quite substantially—is as we've dealt with the issues of recruitment.

Mr Callahan: Within the correctional system, do you have the equivalency of the police department, an internal affairs branch that would investigate complaints by guards as to working facilities, or do they complain to their direct supervisor?

Ms Noble: Within the correctional system there are actually a number of mechanisms that might be used. If the complaints are with respect to complaints of harassment, the ministry does have a special independent unit that has been established to deal with those kinds of complaints specifically. If there are concerns being brought forward by staff, for instance the potential for contraband in the institutions, that kind of an issue, we do have a group of investigators—they are now part of the integrated ministry's audit and evaluation group—who do investigate that kind of complaint. So yes, we do have internal investigatory capacity. Where it goes is dependent on the nature of the complaint.

Within each institution there is also a provision and a capacity for staff to bring forward issues to their managers, and each institution would have a capacity to investigate local incidents.

1410

Mr Callahan: Where do they go beyond the manager if they don't find that the manager is especially sensitive to their complaint? Where do they go from there? Leaving aside the union; I know they have the right to grieve, but where do they go from there?

Ms Noble: I think the opportunity is open to all staff, if they can't get the issue addressed by their manager, to go to a regional office. Frequently they do that. Staff bring issues directly to the attention of the ADM's office. I can also speak to the fact that staff, where they feel that issues are not being addressed, bring them directly to my office's attention.

Mr Callahan: The reason I raise the issue is that the milieu within a correctional facility is much like the milieu in a police department. There is a degree of camaraderie. There is a degree of not speaking out about what's going on necessarily in the facility. It was for that reason, it's my belief anyway, that internal affairs units were set up to deal with complaints of employees in the police department, in order to ensure that there would be impartiality and objectiveness. I gather there is no such equivalency in the correctional service. That's probably a rhetorical question, because I know there isn't.

Ms Noble: There isn't an internal complaints office in the sense that a police service has it. I think what I'm trying to indicate is that for complaints of a particular nature in terms of harassment, there are very clear understandings and opportunities for staff to go directly to the independent unit in terms of raising those concerns. We do have a group that is outside the correctional services division that does investigations into other issues, and certainly staff are free to bring those issues forward to that group.

Mr Callahan: There was recently a rather detailed investigation done of the correctional system in terms of the question of racial discrimination, was there not?

Ms Noble: Yes. We've had work done internally within the last year.

Mr Callahan: Has that report been tabled yet or has it been made public?

Ms Noble: It has not as yet. We expect to be sharing that within the organization shortly.

Mr Callahan: When will it be tabled for the benefit of the legislative members?

Ms Noble: It's an internal management report, but certainly we expect that it will be available within the next couple of weeks and certainly would be available to people who were requesting it.

Mr Callahan: Well, I'm requesting it right now.

Ms Noble: We will take note and ensure that you get a copy.

Mr Callahan: You've indicated and the auditor has indicated as well that there are a large number of people in correctional facilities who are suffering from mental illness or disabilities that make them perhaps difficult or violent. How are they dealt with if they're in a correctional facility that does not have an established medical procedure for dealing with these people? How are they dealt with?

Ms Noble: I think each institution has procedures in order to deal with individual inmates' health needs and those needs in particular. I think to provide the kind of detail that you're asking, what I'd like to do is call upon Dr Humphries, who is one of the ministry people, and ask him to explain, to make sure that you get a detailed answer to your question. Dr Humphries, would you mind coming forward.

Mr Callahan: Perhaps you could address your attention as to whether or not drugs are used for these people.

The Vice-Chair: Dr Humphries, could you just introduce yourself for the purpose of Hansard.

Dr Paul Humphries: Yes, of course. Dr Paul Humphries, senior medical consultant and manager of clinical services for the Ministry of the Solicitor General and Correctional Services of Ontario.

The Vice-Chair: Thank you for that very full description. Please continue.

Dr Humphries: Thank you, Mr Callahan. For the mentally disturbed people we use a multidisciplinary, multifaceted approach. The literature suggests that over the years work done back in 1939 suggested—and this study was done in France—that when you start to remove people from mental health facilities you tend to get more of them into correctional facilities. That in fact has been our observation, especially with the changes that occurred in the late 1970s.

We don't feel that those changes now attribute to the fact that we're getting more of these people. We think it's more the pressures in the community which is putting pressure on both Health and Correctional Services. But the fact remains that we are getting more of them and as such we've approach the problem, as I mentioned, with a multifaceted, multidisciplinary approach.

Across the province we have coverage for all of our institutions, psychiatric, medical, nursing, dentistry etc. We have psychiatric services available to every offender within all of our approximately 50 institutions. Across the province we have 285 full- and part-time nurses. We have 198 social service workers, half of whom all have masters' degrees. We have approximately 100 full- and part-time psychologists, as I say, plus our dentistry, plus our recreationists, our chaplains, the whole bit.

For our very, very sick people, yes, we use medications, as indicated, and let me explain that. You heard our deputy minister indicate earlier that at least 15% of our population has what we feel is a mental illness such that they would benefit from psychiatric and/or psychological services. But in addition to that, we have 6.7% of our population who are seriously mentally ill and in many cases should be hospitalized in a mental health facility, possibly run by the Ministry of Health.

But the realities are that over 15% indicates approximately 1,000 to 1,500 mentally ill people in any one day, and our 6.7% indicates around 500 people who are mentally ill to the point of being psychotic, schizophrenic, all of those kinds of things.

So that's where the multidisciplinary approach comes in. If we're dealing with a behavioural problem, we will use behavioural techniques to deal with it; if we're dealing with depressions, we'll use individual therapies, we'll use anti-depressant medications; if we're dealing with our serious psychotics and schizophrenics, we will use a heavy-duty—chlorpromazine, Largactil, things of that nature.

Mr Callahan: Is that the latest drug for schizophrenics?

Dr Humphries: Chlorpromazine?

Mr Callahan: Yes.

Dr Humphries: It's a basic generic drug from which you can build many different kinds of treatments.

Mr Callahan: You've answered my question partially. If that's the case, and if we hear from the deputy that the average stay for I think male inmates was 57 days, what happens when they're released back out on the street?

Dr Humphries: We think, and like to think, that we have to have very concentrated programs because of the short stay and the time period that we have with them. We will provide medication for them upon discharge—

Mr Callahan: For how long?

Dr Humphries: For the period of time that it would take for them to be seen by an appropriate mental health practitioner in the community. As much as possible we would arrange appointments for them before leaving. Remember, in addition to the network that I've talked about across the province—because obviously we can't move 1,200 people over to the Ministry of Health, nor can we move 500 people over; their beds are full as well—we have developed our own internal treatment facilities and I'll just quickly run through those.

We have a 220-bed treatment facility called the Ontario Correctional Institute at Brampton; we have an 84-bed assessment and treatment unit at Guelph called the Guelph assessment and treatment unit; we have an 84-bed assessment and treatment unit at Rideau on the grounds of the Rideau Correctional and Treatment Centre; we have a 96-bed treatment facility in Sault Ste Marie which

is paired with Correctional Service Canada, 48 inmates from them and 48 inmates from us, equally funded but totally run by Ontario; we have a 23-bed treatment facility at Vanier for the treatment and assistance of women; we have a 26-bed treatment facility for our maximum-security inmates at Millbrook Correctional Centre near Peterborough; and we have a 16-bed treatment facility for francophones at the Ottawa-Carleton Detention Centre.

1420

Initially, when our inmates are on remand and short stays, we can initiate treatment through our psychiatric/psychological/social work services, including medication. Upon sentence, if indicated, we can then move them to one of these multidisciplinary, intensive treatment institutions and upon discharge from there, we can hopefully have the proper connections to move them over to the proper treatment facilities within a community.

Mr Callahan: But the bottom line, from what I get from what you're saying, is that on any one day you're releasing a significant number of people who are mentally ill back into the community without any type of ability to be able to deal with them or to monitor them or to assist them other than a prescription until they get to the next facility to check in, which they probably don't do.

Dr Humphries: There is an excellent working relationship between ourselves and the Ministry of Health and especially between our treatment facilities and those in the community. Oft-times the specialists, the psychiatrists with whom we deal, will also be in practice in the community, will be on staff at the various hospitals, including the psychiatric units and facilities within a community. So we hope that there is a continuity.

In addition to that, we've worked actively with the Ministry of Health to try to work on a stepping process, which is what I would personally like to see. I've worked on it for about four years and presently, the present reform that we've now set up, an interministerial committee, and it's actually provincial-federal, because it has three representatives from our ministry, two from the Attorney General, three from the Ministry of Health, one of whom is chairing it—

Mr Callahan: I'm going to have to jump in because my time is fleeting.

I would venture to say that a large number of people you have in those institutions are schizophrenic.

Dr Humphries: Of the 500?

Mr Callahan: Yes.

Dr Humphries: Yes.

Mr Callahan: The latest drug is—I'm trying to think of it.

Dr Humphries: Are you thinking of clozapine?

Mr Callahan: Yes. It's the most recent one out and it's the most effective with schizophrenics. You provide that within the institution, don't you?

Dr Humphries: Absolutely. Yes.

Mr Callahan: What I'd like you to do is to check with the Ministry of Health, and I know this having spoken with the minister directly in the House, once these people are back out on the street, many of them, you will agree with me, remain on the street. They're street people.

Dr Humphries: Yes.

Mr Callahan: They don't have access to that drug through the formulary. So the net result, you probably see them again. Would that be a fair statement?

Dr Humphries: I think that's a fair statement, although our research studies show that recidivism from our treatment facilities is lower than our regular recidivism rates.

Mr Callahan: But you would agree with me then in the case of schizophrenics, if they don't have access to that most recent drug through the formulary because these people are street people who more than likely are on some form of welfare, they're going to wind up right back in your facility, having done something as a result of being out of control. Is that right?

Dr Humphries: Only partially right, Mr Callahan. That drug is a very fine drug, but we've been using very fine drugs for 30 years. It started with the chlorpromazine derivatives, with Mellaril and Largactil, Nozinan and all of those, and they're still available and they're still formulary drugs.

Mr Callahan: Certainly this one is one that's supported very strongly by the Friends of Schizophrenics, which is a group that deals with schizophrenics. I would suggest that through your interministerial groups that you have, you speak to the Ministry of Health and convince them of the fine and beneficial thing of providing that as part of the formulary. It will probably save you people at least $140 a day, which is what I understand it costs you on average to keep a person in jail, and it will certainly probably make our society a bit safer. You're nodding your head, so I gather you agree with me.

Dr Humphries: Yes. Personally, Mr Callahan, I'm on that committee. The next meeting is tentatively set up for February 3. I think that's a week from Thursday and I will personally take it upon myself to raise the issue.

Mr Callahan: Thank you very much. I appreciate that. How much time have I got?

The Vice-Chair: You have about four minutes, Mr Callahan.

Mr Callahan: Okay. I'd like to talk about the question of young people who come there. Are there people on staff in your major facilities who would be able to identify a person coming through the doors who might have a learning disability, an attention deficit disorder?

Dr Humphries: Yes, although I must be careful not to step out of my own realm. We do have educational and training programs and availabilities within our institution. So unless the individual presented with a double diagnosis or a mental health diagnosis, I would not want to suggest that our clinical people might necessarily pick it up. If they did come in with that problem, I would hope our people would pick it up. I would anticipate that they would.

Mr Callahan: We understood from the educational people last week that there are funds made available for

learning-disabled people or, for that matter, exceptional people, who don't just include learning disabled—but they're the invisible disability, I call it—to provide special education teachers to them. Are you aware whether this program is actively being involved in any of your institutions?

Dr Humphries: From my personal point of view, sir, I know that we have teachers and I know we have divested with boards of education and so certainly we're tied in closely with the department of education—

Mr Callahan: With respect, my question was whether or not you have actual teachers who are certified or qualified to teach learning-disabled children or adults.

Ms Noble: Yes. To deal with the question you're raising, I think in fairness to Dr Humphries, what he's trying to express is that's not an area he's responsible for. I think the question you're raising really does deal with what assessment capacity is available in the YO facilities is perhaps best addressed by Mr John O'Brien, who is also with me here today. So, John, if you could again just introduce yourself for Hansard and then perhaps address Mr Callahan's question.

Mr John O'Brien: Yes. I'm John O'Brien. I'm regional director for eastern Ontario. I was superintendent of the Sprucedale Youth Centre, so I do know a little bit about this particular area.

The 14 pre-trial institutions which we have for young offenders and four secure custody all have teachers provided to them by local boards of education. Most of those teachers are chosen for their ability to work with learning disabilities and with people who are behind their peers in school.

The class ratios are very small, usually in the order of six or eight students per teacher, and all young offenders go through a very intensive testing program to determine at what level they are functioning, what special needs they have and how these special needs can be addressed, not only in the institution but once they return to the community.

Mr Callahan: Finally, I guess, and maybe in the next round I can ask some more questions, I gather that there has been no policy within the correctional system, probably most specifically with young offenders because it would be impossible to do it with the adult population, to have someone there who would act as, as they do in a hospital—what do they call it where someone assesses the person visually—has credentials to be able to determine whether this person has some form of learning disability in order to appropriately deal with that person and perhaps save yourself an awful lot of money down the line in future years for them winding up in trouble with the law.

Mr O'Brien: For young offenders, that assessment is in place and functioning. For adults, each of our institutions has both volunteers and, in some cases, actual teachers who can provide the same service, but the onus is on the offender to come forward and seek that.

Mr Callahan: Finally, you're saying in the young offenders, that all of them are assessed for purposes—

Mr O'Brien: Yes.

Mr Callahan: They receive a psychological assessment to determine whether or not they've got a learning disability?

Mr O'Brien: No. They are assessed by a qualified teacher who is specially trained in this area, not necessarily by a psychologist, although psychologists are available in these institutions as well.

Going back to Paul Humphries' original point, there is a multidisciplinary approach to the case management of young offenders as well. Certainly we see a high percentage of learning disabilities in this group. We have strong emphasis on educational programs and that's especially true in our longer-stay, secure-custody facilities.

Mr Callahan: Okay. Thank you.

1430

Mr Runciman: I have a couple of questions for Dr Humphries as well as sort of a follow-up to what he was indicating earlier.

You mentioned you're involved in an interministerial committee. Is that the one that's referred to in the auditor's report, the ministry response to the auditor's concerns that the ministry's working with the Ministry of Health etc in developing a comprehensive strategy? Is that the same group we're talking about here?

Dr Humphries: Yes, Mr Runciman, it is.

Mr Runciman: When did that start?

Dr Humphries: It was proposed as a draft in the middle of the summer. It was sent from the Deputy Minister of Health to our deputy late in the fall. People were identified as to who will represent. As I say, there'll be representation from our ministry, from Corrections, the Attorney General and—

Mr Runciman: I appreciate brief responses to my questions because we have limited time.

So it started in the summer. When do you expect it to finish?

Dr Humphries: I suspect we will do well if we've completed it within a year, but that's only my own personal view. You see, we'll be starting at the very beginning of the system with diversion and then we'll move into court assessments, and that's a very widespread and comprehensive area.

Mr Runciman: What happens with the report when you finally finish it? What other hurdles does it have to go through?

Dr Humphries: It will then be reported to each of our respective deputy ministers, and I'm sure they will look at it, by our senior administration, and beyond that is beyond my knowledge.

Mr Runciman: Okay. We won't hold our breath then, I guess.

Dr Humphries: May I comment on that, though, Mr Runciman?

Mr Runciman: A 30-second comment.

Dr Humphries: We've worked on this long enough that, as we work on it, we intend to implement some of the pieces.

Mr Runciman: Just leak it to the opposition mem-

bers. That might help.

You talked about, I think on any given day, something like 500 to 1,200 of your population are folks with mental disorders, and you also made the comment that health beds are full. I find difficulty with that comment because I have a psychiatric hospital in my own area which is down to, I think, 280 beds being occupied. Not too many years ago it had 1,200 and, before that, 1,700 beds. So there's a real effort to move people out of these institutions and put them out into the communities. I think the beds are there; it's just a policy, if you will, within the government, not to have them occupied.

Dr Humphries: Yes. As a matter of fact, I met with the administrator of your hospital and a number of his senior staff 10 months ago because we were having difficulty moving people in and it was creating a few of the problems, which you're probably aware of, in the community.

We have been able to work out a situation where they are being very helpful to us. But again, even though they've downsized beds, they're still essentially pretty full, I think you would agree.

Mr Runciman: You've talked about these people, and I assume this applies when we're talking to the general population, some with mental disorders. Their average stay within your care is what, three months or less?

Dr Humphries: Yes, 72 days—well, I guess 78 now, for males, and 50-some for females.

Mr Runciman: You talked about providing psychiatric services, I presume on a consultative basis for the most part, psychological and so on. But really, how much care can you give in that period of time? All you can do is really treat them with drugs or what have you. You really can't give them the psychiatric care that they clearly require.

Dr Humphries: In our jails and detention centres it is essentially the beginning of a Band-Aid process.

Mr Runciman: Band-Aid is a good word.

Dr Humphries: But in the treatment centres that I referred to, yes, that's very intensive; I would say almost as intensive as in the psychiatric hospitals.

Mr Runciman: Have you done any analysis in terms of the recidivism rates in respect of these kinds of individuals? I'm talking about the likelihood of reoffending. How often do they reoffend? I'd think it would be pretty high.

Dr Humphries: In our treatment centres we know that it's lower than the regular recidivism rate. In the jails and detention centres I think that would be impossible to determine because some of them are in and out in three or four days.

Mr Runciman: Thanks very much. I want to direct a few questions to the deputy.

I know the government is in a cost-cutting mood now and I think that all ministries have been asked to try and trim their budgets where possible. Were you given a definitive goal in terms of cutting costs, cut *x* per cent out of your budget? Was there a goal that you are working to achieve?

Ms Noble: Each ministry was asked to identify alternatives and options for coming forward with cost-cutting measures, and this ministry was as well. In terms of the current cost-cutting, what we have are specific measures that the ministry has committed itself to undertaking in terms of cutting costs as opposed to what I assume you're referring to as a percentage target.

Looking at some of the things that we have done as part of what has been referred to as the multi-year expenditure reduction plan exercise, we have taken steps. I mentioned earlier, at the beginning of this afternoon, that we have in fact reconfigured the correctional services division from five regions to four as a cost-cutting measure. We've also made changes in the way in which we've structured the parole offices.

Mr Runciman: But you don't have a bottom-line objective in terms of the percentage reduction.

Ms Noble: We have commitments in terms of specific things we've committed to doing.

Mr Runciman: Yes. I wonder how that fits in. I guess I'm just curious. This has already been decided, but I'm going back to the decision where it was announced by the minister that they were going to provide allowances for people waiting for trial.

Ms Noble: Remand, yes.

Mr Runciman: Remand cases. There was an outcry essentially, I guess, from people working within the system initially, and then the media and then public, and the minister withdrew it, I gather, with some reluctance, publicly anyway, that he felt it was a good idea but it was inappropriate at the time apparently.

I'm just wondering, given the current state of the economy, the difficulties the government is facing, what's the mindset of the bureaucracy, let alone the political folks, in respect to these kinds of initiatives when you're looking at cutting services? What was the rationale behind that kind of a decision?

Ms Noble: In terms of the allowance for the remand inmates.

Mr Runciman: Yes, "Let's come up with another $300,000-plus to do something that isn't there," and obviously it wasn't that badly needed if it can be cut before it started.

Ms Noble: I think what we were essentially dealing with is a concern that had been brought forward to the Ombudsman's office in terms of the question of equity between the allowance that was being provided to sentenced inmates as distinct from those who were in the institutions on remand. There had in fact been a long series of discussions between the ministry and the Ombudsman's office as to how we might most effectively address the question. We had come up with a proposal that we felt could meet that. It did have a cost attached to it; certainly, as the fiscal situation became increasingly more serious, then the decision was taken to not address that issue at this point in time due to cost issues. So it was really coming forward as an equity issue from the Ombudsman's office.

Mr Runciman: Again I just wonder about these kinds of decisions. It seems to be the old bureaucratic political

mindset, making proposals like this in the midst of cutbacks. I was told too that you're looking at new uniforms for officers, which are going to cost significant dollars. Is that still proceeding?

Ms Noble: I think the question of the uniforms for the correctional officers has been a source of some major concern for some period of time. There has been work done by staff in looking at that question, but I would certainly say to the committee that there's been no decision that we would be committing resources at this point in time to doing a renewal of uniforms just for the sake of doing them. We've had a discussion with OPSEU because of the nature of the concerns of our staff but we've not made a decision and I would certainly agree with the committee that this is not the time when that's the kind of investment that we're in a position to make.

Mr Runciman: What was the cost estimate on that?

Ms Noble: In fact, the work is such that it has not reached my attention yet. I was simply aware that there was some study being done.

Mr Runciman: I was advised hundreds of thousands of dollars, whether that's accurate or not, on new-style uniforms.

Ms Noble: I think a reflection of the priority it's receiving is that not any of it has come anywhere near my desk.

Mr Runciman: There was some suggestion—this deals with young offenders; Mr O'Brien may want to comment on it and I know this has been incorporated in the United States and I think in some other jurisdictions as well, and this is sort of a strict-discipline youth offender facility. I wonder if you're taking a look at anything like that. I know Alberta's looking at it and perhaps a couple of other jurisdictions. Is there any consideration being given to that sort of concept in Ontario?

Mr O'Brien: Not that I'm aware of at this time.

1440

Mr Runciman: I guess it was in the auditor's report talking about the implications once the Young Offenders Act was changed in 1985 when we had to provide separate housing for these individuals. If the Young Offenders Act is revised and people 16 years of age and older fall within the adult court, although I think that's unlikely, but if it did happen, what are the cost implications for the government, in terms of the positive cost implications, I assume? From your ministry, it would simply be within Comsoc. You'd lose that total cost, I assume. There may be some other implications on the other side of your system.

Ms Noble: I'm not sure that one can necessarily just do a straight extrapolation, though obviously if in fact the age limits were to be changed and we were to go back to integrating all the 16- and 17-year-olds into the general population within the institutions, that would certainly have an impact in terms of lowering costs, because we do provide a different level of support to the young offenders in accordance with the requirements of the federal legislation. But in answer to your question, have we actually done any work around that in terms of examining the cost impact, no, we haven't.

Mr Runciman: It should be fairly significant, I would think.

As part of the auditor's report, we talked about the correctional officers in Ontario being the highest-paid in Canada, and you made some comment in respect of that in your initial comments. You talked about the per diems being lower than any other jurisdiction and so on. But I wonder, without talking about staffing levels, what's the government's justification for having the highest-paid correctional officers in Canada versus even the federal members apparently who have, I would think, a much more challenging job in terms of some of the individuals they have to look after? What's the justification for having the highest-paid folks?

Ms Noble: Without wanting to get into a comparison of the difficulty of the job in the federal system versus ours, I think it is worthy to note that many of the most difficult members going through to the federal system in fact spend time with us, and therefore some of our staff are in fact dealing with these very same people.

Mr Runciman: Some.

Ms Noble: Some. I'm not saying all, but I'm simply saying some.

In terms of the actual cost comparisons between the two levels—they're there and they're in the auditor's report—I think if one actually compares on a strict hours-per-hours basis within the contract, the difference may not be quite so great as the auditor's report indicates. But I recognize that's not the point you're trying to raise.

Mr Runciman: We had that discussion earlier and the auditor assured us that in fact Ontario is still the highest paid.

Ms Noble: I'm not disputing that, and I wasn't going to try to dispute that.

In terms of the question of what is the rationale for it, I think all I can address is to first of all make the point up front that the issue of the establishment of salaries for the correctional officers is not something that is done through the ministry. It is done by Management Board, as the employer for all government staff.

The other comment I would make in terms of salaries is that the pattern of salaries for this particular group, if one looks over the decade that was the subject of the auditor's report, in many instances the settlements are in line with inflation. There have been a couple of instances in that pattern where settlements were higher than inflation substantially. In a couple of instances we had arbitrated settlements, where the issues did go to arbitration and very substantial settlements were handed down by arbitrators. I think to try to look at where we sit today is really to be looking at the cumulative effects of a number of decisions.

Mr Runciman: In essence, are you saying you don't see it as a problem that you have the highest-paid people in Canada?

Ms Noble: I think from our perspective what we would see is that the complexity of the Ontario correction system and what we're dealing with in the Ontario

correction system is certainly not a situation where one would argue that the job is dramatically simpler and therefore should be paid dramatically differently. I think arbitrators, if we go back to that, obviously set salaries—

Mr Runciman: I asked you a specific question as the deputy. I gather you are comfortable with it.

Ms Noble: What I'm trying to say is that I think there have been periods where Ontario's been higher than Canada and periods when Canada has been higher than Ontario. Given that salaries to some extent deal with marketplace issues and cost-of-living issues—

Mr Runciman: Okay. You're comfortable with it.

Ms Noble: —it's not an extraordinary problem.

Mr Runciman: I'll move on to the next question. I've asked you three times and you've said, I guess in a roundabout way, you're comfortable with it.

You, I assume, like other ministries, have internal audits that are done on an annual basis; you have internal auditors?

Ms Noble: Yes, we do.

Mr Runciman: I'm curious: Why don't these kinds of things that the Provincial Auditor has found show up on your internal audits, these kinds of concerns that he's raised, his office has raised? In light of the press reports and the bad publicity your ministry's received in respect to some of these concerns, did you go back over the internal audits and see why these things didn't come to your attention or one of your predecessors' attention?

What I'm saying really is, how effective are these internal audits? The Provincial Auditor has to travel around, he can come back and see you every four or five years. I just question the effectiveness of these things.

Ms Noble: I think in terms of trying to look at an internal audit, when you're looking at a system like corrections, a lot of the internal audit may focus in on specific elements of the system, it may focus in on particular areas of the system and make recommendations to which the ministry responds and then makes changes.

Would we have the internal audit group look at a question such as the salary increases of our staff? That's probably not a subject that an internal audit group would look at, specifically from the point of view that, as I said, the employer for purposes of that is not the ministry; it is in fact—

Mr Runciman: So you're saying none of the topic areas the auditor touched on would be normally looked at by an internal—

Ms Noble: No, that's not what I'm saying. I was using that specific example—

Mr Runciman: I know you're dealing with that one, that's a good one for you to deal with, but let's deal with the ones that would be looked at by an internal auditor.

Ms Noble: In terms of the topics that the auditor raised, many of the issues that we do look at through internal audit, dealing with security, if that comes forward we deal with it. In terms of cost issues in individual institutions and their operations, those are raised and we deal with them.

Mr Runciman: The point is, you're comfortable with the internal audits too. Let's move on to another question. I wonder, from my perspective, if there's a problem in terms of turnover within the ministry. How long have you been the deputy minister?

Ms Noble: I've been the Deputy Minister of Correctional Services since September 1992.

Mr Runciman: On the elected level, there have been at least three ministers in three years. I'm not sure how many deputies, but perhaps the same. To go back to the predecessor government, I think there were at least three ministers, perhaps even more, and I'm not sure about the change over in deputies. Is that a problem? I guess I'm putting you in a tough spot to answer that, but I've often wondered if we shouldn't—even if it's a shuffle, with cabinet shuffles, deputy shuffles, these things seem to occur too often, in my view. It takes time for people to get to understand their portfolio or to get to understand the responsibilities of deputy and really have a real handle on the operations they're responsible for. I just wonder if you have a view on that or if you feel you can express it. I'm not sure, maybe I'm putting you in a tough spot here.

Ms Noble: I think in some ways you're asking a question that I'm probably not really in a position to answer, given that questions of the assignment of deputy ministers and the assignment of ministers both are decisions that do rest with the government of the day.

Mr Runciman: Right.

Ms Noble: So perhaps I can just leave that one.

Mr Runciman: Okay. That's all for now. Thanks.

The Vice-Chair: We'll go to the government caucus. We have first Mr Mills and then Mr Duignan.

Mr Mills: Thank you, Madam Deputy, for being here this afternoon. I just want to set some records straight, in that in the auditor's report one of the main concerns was staffing costs and in the report it said that Ontario has the highest staff per inmate of all Canadian jurisdictions.

So my first question, to set that straight, is that it's my understanding that the major increases in staffing—although our government gets blamed for everything, for static cling and even the weather—did not occur under the present government but occurred in fact between 1985 and 1988.

Further to that, I'd like your comments: Obviously there were some increases in staffing recently. I just want to get your thoughts on the Askov decision and the impact that had on the increase in staffing. If I could hear that.

1450

Ms Noble: Perhaps I could make a couple of comments and then ask Mr McKerrell to comment in more detail. I think certainly if one looks at the increase in staff that has taken place over the period that the auditor examined, the two main contributing factors where there were substantial increases were the YOA implementation that was effective in 1985, and I think we can and should elaborate a little bit about exactly how that impacted and resulted in the need for the increase in staff that was reflected in the ministry totals.

I think, again, with the Askov decision, what we were looking at in corrections was essentially an increase that was our share of an increase in operations that took place throughout the justice system, increases necessary in the court system where there was an augmentation in the number of judges that gave rise to, obviously, increased needs in our part of the operations as the flow-through of offenders through the system was speeded up. Perhaps I can ask, Neil, if you could comment in more detail about both of those items.

Mr McKerrell: There are a number of factors that directly impact on the workload which are essentially beyond our control. As has been mentioned, the decisions that may be taken by other levels of government that impact on the correctional system are beyond our control. As has been mentioned, the addition of police officers for enforcement activities in the community, the addition of judges: They all have a direct impact on correctional institutions. We're simply not in a position to put up a sign on the door saying: "Full. No more room." We have to take whoever comes our way.

In fact, the Askov decision which was referred to resulted in a considerable number of people coming to the system, as did earlier additions of police officers for drug enforcement. The greatest part of that impact was in southern Ontario, where we already had heavy population pressures anyway. So as a result of that, some beds had to be added across southern Ontario, and as a result of adding beds, staff were added.

In addition, we've talked about the increasing number of offenders who are more difficult to handle: people with mental disabilities, people who are developmentally challenged. There's also an increase in the number of people with serious offences, all of which has an impact on the way in which the institutions must operate.

The advent of the YOA itself increased the workload of the ministry very significantly and accounted for an increase of almost 1,000 staff: 900-odd people.

One of the most significant factors in workload and staff-to-inmate ratio is the age of the buildings. You'll recall the deputy, in her opening remarks, made reference to the fact that we almost operate two systems: a system with modern buildings which are very efficient and where the ratios are very good; and then you look at the old institutions that we have. We have in fact 50 places which are all across the province. The age factors of these old buildings—the oldest is 1825, so you can imagine that the requirements for operating a building that was opened in 1825 are quite different from today.

Mr Callahan: We understand that here. We're going through it with the windows being replaced and all the rest of it.

Mr McKerrell: Yes, exactly. In fact, if it would be of assistance to the members of the committee, we have some material that illustrates the very significant impact of these old buildings on the operation of the institutional services of my division. If that would be of assistance to you, we can provide some graphic demonstration of that.

The Vice-Chair: I think members would be very interested in seeing that material if you could have it distributed this afternoon, if you have it here.

Mr McKerrell: We can do it right now if you like.

The Vice-Chair: Thank you.

Mr Mills: Madam Chair, I still have the floor, I believe, right?

Mr McKerrell: I'm sorry.

Mr Mills: I'd just want to make a point here clear. In the auditor's report, he complains about the costs of per diem rates in other jurisdictions as being much lower than what it costs to run our institutions, but it's my understanding that if you compare the newer establishments vis-à-vis British Columbia or Alberta and what have you, in fact, it's quite the contrary: Ours cost, per diem, less than the average. Is that not right?

Mr McKerrell: Yes, that's right.

Mr Mills: I just want to put some perspective into these arguments, you see.

Mr McKerrell: That's absolutely correct. Our newest institutions are the most cost-effective in the country, bar none.

Mr Mills: Okay. I'm going to talk about the video, which I thought was very instructive and gave a broad overview of what is expected of a correctional officer. I heard some comments there, about what do you do about training? I know, but probably the committee doesn't know: What sort of mandatory training have you got in place for the correctional staff at the present day, like refresher courses? What do you do?

Mr McKerrell: Let me ask John O'Brien to speak to the issue of training. He sits as a member of a committee which is currently reviewing our training program for the correctional services division, not only the institutions but the community as well.

Mr O'Brien: That committee has been working for about nine months and is also looking at the recruitment of line staff as well.

Basic correctional officer training consists of five weeks, both in the institution and at our training college, Bell Cairn in Hamilton. That's followed up every five years by a one-week refresher training program for correctional officers. Within the institution there is ongoing training in areas such as first aid, CPR, the use of security equipment and so on, so that training is virtually continuous for our correctional officers.

Mr Mills: Thank you for that. Is there any sort of special training that you offer—you know, we show on the video suicides, things like that.

Mr O'Brien: Yes, suicide is covered in both the introductory program for staff and on an ongoing basis. Over and above these programs, there are—

Interjections.

Mr Mills: Be quiet and don't interrupt.

Mr O'Brien: Specially designed courses on anger management, how to control inmate behaviour without the use of physical force, for example, and so on.

Mr Mills: Thank you. I may have another question if time permits, but I'll give the floor to my colleague Mr Duignan.

The Vice-Chair: Mr Duignan.

Interjections.

The Vice-Chair: I'm sorry. I wasn't correcting you; I was just giving the floor to Mr Duignan.

Mr Duignan: I think I'll get my name changed.

Mr Callahan: I have trouble with it because he's not in my caucus, but you should be able to say it.

Mr Duignan: I have, of course, a major correctional facility in my riding, Maplehurst. I'm indeed very familiar with some of the many problems that are associated with a correctional institute.

However, I want to focus a little bit on the corporate objectives of the Ministry of Correctional Services. They are to assure the protection and security of society and to motivate offenders towards positive personal change.

Last week we had the Ministry of Education in here and we took a look at special education and a couple of other areas in the ministry. The ministry sets aside a certain amount of money to the institutes for people to advance their education: high school education or whatever the case is. I was wondering if you have the figures available. How much money does go forward from the Ministry of Education to your ministry for education upgrade in the institutions? Do you have a breakdown of that amount of money per institution and do you have an idea of the number of people participating in further education from those institutes?

Mr McKerrell: I don't believe we have that information available today, but we can attempt to get it for you over the course of the next couple of days.

Mr Duignan: That would be very appreciated if you could.

Again, a concern was expressed last week: Since we have basically a zero tolerance of violence in our schools at this point in time—I notice there was a grade 13 student sentenced yesterday because of that and another one is due next week; there have been three like that very recently—I was wondering what type of mechanism the Ministry of Correctional Services is putting into place. These are students, these are kids, maybe anywhere from 16 to 18 or 19, who have obviously not completed a high school education etc. What arrangements have been put into place by the ministry of corrections to make sure that these students will at least continue to receive some education and possibly finish their high school diploma?

1500

Ms Noble: Perhaps I could just make an introductory comment. As a ministry, we're working with the Ministry of Education and Training as it proceeds with the implementation of its initiative. One of the things would be to deal with the question that there may be students who may be removed from the school system in accordance with the policy of the board around any act they've undertaken, and that therefore they are no longer eligible to be back in the school system. It is not necessarily so that they would then be charged. Some may be; some may not be. In other words, the removal from school does not necessarily mean they would be charged—

Mr Duignan: I'm aware of that, but the question was about those people who are charged. I understand one has been sentenced yesterday, one a week or two before and I think another one during a week or so. What are you putting into place to make sure those students still get a continuing education?

Ms Noble: What we're looking at there is that the provisions we do have in place for education for young offenders would be the kind of program that would be continuing. It would be there to support them as young offenders within the institution. The fact that the situation of those particular individuals, knowing that there was a disruption to an educational program—many of our other young offenders may also, as a result of being charged for whatever offence, be disrupting an educational program, so we do have teaching facilities in the institutions to try and continue those programs.

Mr Duignan: Would that be a recommendation on the intake, that they would have to continue their education, or if they didn't want to do it, that they simply wouldn't follow through on it?

Ms Noble: The question of "have to" I would leave to John to answer. Certainly, the system is there and available and there are classes available for the young people in those YO facilities.

Mr O'Brien: Initially, we would check with the community school they were in to obtain records of their achievements and so on. It's virtually impossible to force someone to go to school against their will. However, we do try to encourage them and I think we have a very high success rate in actually getting them in, because we have very low student-teacher ratios. In some cases, exceptional cases, an individual teacher will work with an individual pupil and in cooperation with other professional staff, they work through whatever personal problems the young person is bringing to the classroom.

Mr McKerrell: If I can just add a little bit beyond that, what's been described is if the individual is a young offender, 16 to 18 years of age, but if you have a young adult, over the age of 18—you made reference to Maplehurst Correctional Centre in your own riding. It has a very extensive educational program. In fact, it's the premier educational facility for the regular type of correctional inmates in Ontario. People are encouraged through the classification process to avail themselves of educational opportunities, either by correspondence assisted by teachers or right in the classroom setting at Maplehurst.

Mr Duignan: I notice that in the audit of 1987, at that time you had no measure in place to indicate the repetitive nature of the prisoners going back into the system. I notice that in 1992 the audit found that this system was still not being used for this purpose. I was wondering why the delay for six years, why nothing was done for six years. Are we still going to wait for another six years for this to be achieved?

Mr McKerrell: I was going to ask if the question related to recidivism. The recidivism is only one measure, I guess, of the progress of the organization. We don't look at corrections as an end in itself, especially given that we have people for a very short period of time. What we try to do is present an opportunities model to people

so that they can take advantage of chances to improve themselves while they're with us, and hopefully get them started so that they will continue in the community. This applies in a whole range of things, including the education we just talked about.

The problems, of course, with the inmate population are multifold. The deputy mentioned in her remarks at the outset that many of them have below-average levels of education, are underemployed and so forth, so we have a range of programs where we try to encourage people to improve their life skills, their educational skills and so forth for the limited time we have them.

Mr Duignan: In a survey, 67% of the superintendents responding to that survey concerning the ability of the ministry to effect positive personal change said that either their institutions were not effective or just simply did not know. Would it be a fair comment to simply say that we're not really motivating offenders towards positive personal change at all?

Mr McKerrell: I think it's a gradual process. There are two issues there.

Mr Duignan: How can you be gradual when the average stay is three months, six months?

Mr McKerrell: It's gradual in that you may get progress by increments as opposed to an outright cessation of lawbreaking activity.

Mr Duignan: So you have to work on them each time they come back; is that the case?

Mr McKerrell: Potentially. If they don't come back, do we know that it was our intervention that was successful in preventing them from coming back? We have no authority, no mandate to pursue them in the community once the warrant has expired. We have no means and no legal authority to follow up and see what happens when a person leaves. If they don't come back to us, we can certainly claim the credit for improving; whether it's valid or not would be another matter.

Mr Duignan: Of course, they could be in another jurisdiction.

Mr McKerrell: That's possible.

Mr Duignan: For example, do you share that information between other jurisdictions?

Mr McKerrell: There's an element of sharing information between jurisdictions. It just depends what it is. The police information network, the computer network keeps track of where people have been in terms of their criminal record. If someone is brought into custody here in Ontario, once we get their incarceration report from the RCMP we then know where they have been. If we want to follow up, then we can make contact with that jurisdiction. We ask inmates upon admission about their criminal history. It's a self-reporting mechanism, but they will often tell us quite candidly that they've been in X, Y or Z place and we can make contact to follow up, as the case may be.

Mr Duignan: I would want to pursue another line of questioning but I don't think I've got time.

The Vice-Chair: There are only about two minutes left. Mr Mills did mention he had another question.

Mr Mills: Thank you, Madam Chair. I don't want, at this stage of the committee, to get in with some in-depth thoughts and discussions that I have on a number of issues, but given the fact that this committee is being televised on the parliamentary channel, and given the fact that I know there's considerable interest in this, when we talk about the cost per diem of the modern jails vis-à-vis the ones like Barrie Jail, which I know personally as a very old institution—

Mr Callahan: Is this a testimonial or what?

Mr Mills: I'm not saying it's as old as me. I know it, as our friend there knows. As they're looking into this, it begs the question, if we can save so much money there, what the dickens are we keeping all these old ones open for? I don't want to get into that debate, but it seems to me that would be an obvious reaction for the public: If we can save so much money, why aren't we doing it in that way? I know that it's not as simple as that.

Mr McKerrell: We can certainly respond to that if there's time.

Mr Mills: A couple of minutes.

1510

Mr Kurt Jensen: My name is Kurt Jensen. I'm the manager, analysis and support, Correctional Services division. There's been information passed out to you which compares Ontario to other jurisdictions, and the locations where Ontario facilities are located, their age, their capacities and a bunch of floor plans. That was a whole discussion around the efficiencies of institutions and staffing ratios. I don't know if you want me to go into that discussion now or just answer this specific question.

Mr Mills: I think maybe we could keep it brief, because I know this is going to be a major discussion in the next two days.

Mr Jensen: There are a number of reasons we wouldn't just go out and close small jails, the first of which is related to the fact that they provide a remand service to those local jurisdictions. If you closed the jail in Fort Frances, that means the police would have to spend the time driving to a regional detention centre, maybe in Kenora or someplace else, and you'd end up taking resources out of what the police have available to use to police their communities.

Certainly, you'd have an economic impact on those communities that are small communities and where an institution is a major employer within that community. You'd have to consider what the impact on the staff who work in the institution is going to be. You'd have to consider the impact on those people who regularly visit inmates: lawyers, relatives, friends, volunteer people and all kinds of other people who come to visit. They would be subject to travelling greater distances. Finally, you'd have to consider the capital costs of building new regional detention centres at between $60,000 and $100,000 per bed.

The Vice-Chair: We'll go to the Liberal caucus. We'll start with Mr Murphy and then Mr Offer.

Mr Tim Murphy (St George-St David): My perspective on this is really to talk about effective monitoring

techniques by the ministry. That's obviously what the auditor was focusing on in the report. I'd like to start on the sick day usage issue that he raised. He cited a survey response at one institution where there was an average of 30 sick days leave per employee. That is essentially a month and a half, which is incredible, ranging down to the best, 4.5 days, which is a much more reasonable amount.

The concern I have is really how the ministry monitors this and ensures that institutions have a reasonable attendance record. Obviously, there seems to be a fair degree of sick leave taken on weekend days and there is a high cost associated with this because the security provisions require that these people be replaced and that someone serve in their stead.

I'm wondering, first off, if the ministry has an analysis by institution of the number of sick days taken over the last three years.

Mr Tom Watson: My name is Tom Watson. I am the superintendent of the Ontario Correctional Institute.

Mr Murphy: How are you?

Mr Watson: Not too bad, sir.

Mr Murphy: Good.

Mr Watson: I've been designated to respond to your questions with regard to this particular area. The whole aspect of attendance is a complicating factor. I've been in the correctional services for over 26 years, I've been a superintendent for 20 years, and it's always been a problematic issue to deal with.

I think the first thing we have to understand is the benefit package that is available to each employee. Currently, in the Ontario government and in our particular ministry—

Mr Murphy: No.

Mr Watson: You don't want to know that?

Mr Murphy: I don't want to interrupt but actually I was looking for a specific answer, which is whether you just have that information, the number of sick days by institution for the last three years.

Mr Watson: We do have the number of sick days by institution over the last three years, for each one.

Mr Murphy: Do you have that here? Can you provide it now to the committee?

Ms Noble: We don't have the information on that basis with us here. What we do have available, though we'd have to get it, with us are statistics on the last three quarters of last year and the year prior, which we had brought with us particular to the comments of the auditor. We don't have copies for all the committee members at the moment, but we could make that available.

Mr Murphy: Sure. That will be fine. I don't need it right now, but if you can provide it to me tomorrow, that's fine.

The Vice-Chair: If you have the information with you, we can ask the clerk to have copies made and distributed.

Ms Noble: Yes. Why don't we continue and I'll just—

Mr Murphy: I'll leave it to you.

To be fair, there's obviously going to be a variety of reasons why you have variations in attendance records at different institutions. Obviously, the age of the institution may itself be a factor, because you're going to have great differences in conditions at the institutions, which will reflect on everything from health to stress levels etc.

But as I said in my opening, my concern is monitoring from the ministry perspective, ensuring that some standards are there and that those are upheld by the institution. Is there an analysis by the ministry of why there's a variation in those attendance records and what the reasons are behind high levels at some institutions? It may be that there are entirely valid reasons behind those high levels. There may have been a riot, whatever it is, but I'm wondering if you have an analysis.

Mr Watson: We have figures, and it would be a matter of what we call an attendance review program at each institution. The difficulty is that there are different sets of programs in each of the 50 institutions. There's never been a generic model applied across all the institutions to deal with it. In the sense of monitoring, yes, the figures are calculated. They are sent up to the main office from each institution, so the figures are known. A lot of it is left to the devices of the individual superintendents to deal with that particular issue, depending on the variables of what's happening with his employee group.

Mr Murphy: My concern, though, and the deputy talked about it earlier, is the best-practice model. We spent a lot of time last week in public accounts talking to the deputy of Education about best practices across the system and about the need to share that information. The auditor pointed to one institution, the one that had the lowest level of sick days taken and the highest attendance record at 4.5 days, and pointed to the fact that there was an excellent monitoring system of attendance and that they followed through the step-by-step disciplinary approach to follow it up. I'm wondering whether the ministry's done a best-practice analysis, has applied the lessons from that to other institutions and requested those other institutions to follow up on the lessons learned from that one.

Mr Watson: Yes. We have developed a committee, of which I am a member, that has analysed all the—

Mr Murphy: But a committee doesn't ask quite specific questions, and the fact of a committee—I don't mean to put you on the spot. I know you've established the committee. It may be that you're in the process of doing what I just asked, and that's fine, but to this date that hasn't happened.

Ms Noble: If I could just respond, I think what we indicated to the auditor in our response on this issue was that we were in the process, and we are still in the process. At this point in time, we have not yet reached conclusions about the model or models we would like to see. We have, however, identified the need to do so. Therefore, we are in an in-progress stage with respect to this particular project, and we can go back to that in a little more detail. What we are aiming for is to have this work completed in the spring in such a way that we can then start with the new year, dealing with the individual

institutions to move forward to implement the best practices coming forward out of the review.

As I'd indicated this morning, what has emerged in the more recent past is a discussion that has taken place with the bargaining agents, who have themselves some issues and concerns about factors in the institutions that may be giving rise to concerns around attendance. I'm not in a position to be more definitive on this particular element because it is in the formative discussion stages, but we are having some discussions to try and look at those factors on a joint basis with them. We very much would look forward to that, because obviously, if we can be working with them in addressing some of those underlying factors, that will be very helpful to us in terms of trying to manage the issue.

Mr Murphy: So you're in the middle of the monitoring process of practices in the institutions. Do you have a date when that monitoring process will be completed?

Ms Noble: I could speak to the project team here. Spring is what we're aiming for.

1520

Mr Murphy: Back to you, superintendent.

Mr Watson: We've met several times. We've reviewed each institution's model setup, taken the best from the process, put it forward, and it's going to go to what we call divisional management committee, led by our chair, to present the model. That group has to make a decision whether the committee's work is in the right direction or not. We're assuming it would be done, as the deputy has alluded to, in early spring. Once it's approved, we then would implement it.

Mr Murphy: Thank you for that. A voter's going to turn around, someone in my riding is going to say, "Okay, I read about the Provincial Auditor saying there was a sick leave problem and I want you to fix it on my behalf." What can I go and tell my constituent? When is it going to be fixed?

Mr McKerrell: Our objective is to have that by the end of the fiscal year, which is March 31. If we can have it ready before then, that will be fine.

Mr Murphy: That's the model. That's the review that's going to be done.

Mr McKerrell: No, that's the model selected—

Mr Murphy: And the model decided upon? Okay.

Mr McKerrell: —and ready to be implemented for April 1. That's my objective.

Mr Murphy: Implementation is going to mean you're going to pick a model and you're going to send that out to the institutions and say, "Follow this model"?

Mr McKerrell: Precisely.

Mr Murphy: You're going to tell them to follow the model?

Mr McKerrell: Oh, yes.

Mr Murphy: How are we doing for time?

The Vice-Chair: Your caucus has about 11 minutes left.

Mr Murphy: I'll have a few more and then I'll pass it on.

I want to follow up on Mr Duignan's comment on the objectives of the ministry, the "motivating offenders towards positive personal change," as it's phrased. The Provincial Auditor talked about whether recidivism was an effective measure in the system, and you started to talk about some of those problems, about the short stays in the institution, the difficulty in monitoring the transfer to other jurisdictions and even outside the province, and up, I suppose, in the province, as well into the federal system because of committing more serious offences.

If most people say, "What are jails supposed to do?" the classic answer is it rehabilitates the inmate and deters others, and if we can't tell them ultimately whether it does that, that's a basic question we're not answering very well. Your job is difficult because of the old line that sometimes when you're up to your behind in alligators, it's difficult to remember you're there to drain the swamp. I think that might apply sometimes in this context.

Mr Callahan: I've never heard that line before.

Mr Murphy: There are variations on it.

You say the average stay for males was 76, I believe, and for females 57, and this is a total. If you took the number of days inmates were in the institutions and averaged it out to an inmate-year calculation, do you have the total number of inmates in an institution on an inmate-year calculation?

Mr McKerrell: The total number of inmates?

Mr Murphy: On an inmate-year calculation. Do you understand what I'm asking?

Mr McKerrell: We have the total number of admissions and then we have a whole lot of totals that we cover: admissions as opposed to individuals, the days stayed and so on and so forth, depending on what it is you are actually—

Mr Murphy: I guess what I'm trying to say is, in the federal system they can say, "We have 10,000 inmates," which can pretty well mean they have more or less a constant number of 10,000 a year, whereas you have—I don't know how many. What is it, 20,000 that flow through?

Mr McKerrell: We would have in excess of 50,000 people who actually flow through our doors in the course of a year.

Mr Murphy: But if that turned into one person staying there for a year, how many people staying there for a year is that?

Ms Noble: I'm not sure that we—

Mr Murphy: You may not even collect that number.

Ms Noble: We don't have the number, obviously, at the tip of our tongues. One of the differences, and I just sort of make note of it, is that the federal system is essentially dealing with sentenced inmates.

Mr Murphy: Oh, you have the remands and—

Ms Noble: In other words, when people darken their doors, they're there for a stay—

Mr Murphy: Exactly.

Ms Noble: —whereas as I was saying earlier this

morning, up to a third of ours on any given day are in fact remand. In order for us to come back to the number you are asking about, we'd have to look at the average number of sentenced inmates during a year and then take that as a factor in relationship to the length of sentence. We can certainly do that and come back to you with the number.

Mr Murphy: I don't want to put you through hours of work. If that's an easy number to get—

Ms Noble: If we can't do it, I'll let you know, but we can certainly take a try. But we do need to take out of the numbers we have those who are there on remand.

Mr Murphy: You said at some point, and I may have noted it incorrectly, but I thought you said that Ontario has a higher percentage than other provinces sentencing to probation as opposed to incarceration. Is that correct?

Ms Noble: In the auditor's report, comparisons were drawn with Alberta, and it was specifically in comparison with Alberta. We certainly have those numbers. For instance, in Quebec the same thing would hold. They have a lower percentage than we do in probation from a sentencing perspective. If you're interested in having that information across all jurisdictions, we can get that for you. The source of the information is the federal Centre for Justice Statistics.

Mr Murphy: It was within the last month or two that there have been news reports about sentencing characteristics across the country, I believe. Is that the report to which you're referring? Does it come from that?

Ms Noble: It was given to me as an extract. Whether it's exactly out of that report or not, it's certainly covering that same time period.

Mr Murphy: If you have that report, I wouldn't mind if you could provide a copy to the committee.

Ms Noble: You're looking for a copy of the federal sentencing report?

Mr Murphy: Yes.

Ms Noble: I'll certainly check.

Mr Murphy: As it relates to the kinds of statistics you were mentioning. If it's another document, I'd like that document.

Ms Noble: I will check two things: One is to get you the information I was referring to that I have, and secondly, I will check with our people to see if we have a copy of the report that we can make available.

Mr Murphy: I have many questions to follow up and I have other members who want to speak. I want to ask one specific question. The Syl Apps facility: Are 16- to 17-year-olds put in the same cottage as 12- to 15-year-olds? Mr Jackson made that allegation yesterday and I was very surprised that this was the case.

Ms Noble: It would be an extremely exceptional case, I think—

Mr Murphy: I could not see it.

Ms Noble: —if anything like that happened, because Syl Apps is operated by the Ministry of Community and Social Services for the under-16s and it's not some place we would be referring clients from our system.

Mr Murphy: That was my reaction too. I thought that was entirely unlikely.

Mr Callahan: You won the bet.

Mr Murphy: I won the bet, as Mr Callahan says.

I'm going to have to turn it over, but I will have more in the next rotation.

Ms Noble: Either that or you'll be back to us with more detailed information.

Mr Murphy: Yes.

The Vice-Chair: The last five minutes for Mr Offer.

Mr Steven Offer (Mississauga North): I don't think I will be using all of the five minutes.

I want to deal with the issue of the sick leave. We have, through legislative research, a recap from the Provincial Auditor which speaks about a survey that has indicated an average of 30 days sick leave per employee. It reads that in eight institutions, the number of sick days ranged from 4.5 to over 20 days per correctional officer. My first question is, based on that, do you agree with that assertion?

Ms Noble: In terms of the specific facts that the auditor's report contained?

Mr Offer: Yes.

Ms Noble: We're not disputing the facts. There is one institution that did in fact have sick days at the 30 days. We also have the example of the institution at the lower end. There is information that I think is going to be distributed. The material speaks specifically to 1992-93 averages over the 12 months for that year, which would be April 1, 1992, to March 31, 1993. The second set of numbers deals with 1993—sorry, I'm misleading the committee. But the averages are lower.

1530

Mr Offer: My next question is on the information which has just been provided, and it speaks in two accounting years. It breaks each group down to bargaining and to management, and it particularizes each facility. At the bottom of the page it talks about "Institutions Average Total." What I will read as 1992-93 has the bargaining unit at 11.68 and management at 9.09. Do I take that to be days?

Ms Noble: Yes.

Mr Offer: The question I have is, what is the bargaining unit arrangement on the issue of sick leave?

Mr Watson: Specifically, what do you mean by arrangements?

Mr Offer: What is in the working contract?

Mr Watson: They are allowed six days with full pay each calendar year plus an additional 124 days beyond the six days in a calendar year. If they were having a long-term illness, they would then go into what we call a long-term income protection plan which is funded by an insurance company which they have to make application for and which could go on for ever.

Mr Offer: There are in the chart which you have provided examples of sick leave: an average of 23.29, 30.56, 20.46, 18.46 days. Have you looked into the cause of such sick leave requests?

Mr Watson: Yes. The issue would reflect, depending on how many people in that particular institution—of course, the figures can get skewed if you're dealing with a small number of staff versus a larger institution with a larger staff. A lot of it has to do with people—all you'd have to do is have five or six people in one institution with a long-term illness, take their full 130 days, then lead into the long-term income protection process. You take those figures and put them into the average and that's what expands those numbers in those particular institutions.

Mr Offer: The other examples are 17.91 days, 10.02 days, ll days, 13 days. Are those, in your opinion, skewed figures?

Mr Watson: They're not skewed in those particular ones. Some institutions are higher than others and a lot of it is that a lot of factors come into play.

Mr Offer: The question I have is along the same lines of Mr Murphy's question. A lot of people would take a look at sick leave and wonder how it is that on average, even keeping in mind long-term situations, there would be such a high average. They understand the need to take a look at these things, to implement new systems and things of this nature, but I think the general public would expect some answer to, how come such a high figure?

Mr Watson: There are a lot of factors that come into play, shift work being one.

Mr Offer: How does shift work come into this?

Mr Watson: That's particularly why we've gone into some compressed-work issues with the OPSEU members, to try to give them more weekends off. Shift work has a proven impact on the factor of people not sleeping right at nights. They come off and it's difficult to go through the process. The population we are dealing with are not always healthy people. They contact a lot of issues from them. Those are some of the similarities that come up to the rationalization for the uses of it. The other thing is that it's a difficult issue to question an employee on. The employee does not welcome it when I as a manager question the person, "Why were you off 10 days?" even through the attendance review process that we have, because they feel that they were sick, that they were entitled to be off, that they have this as a benefit, so why would I as a manager question them?

Mr Offer: I guess then—

The Vice-Chair: Mr Offer, I apologize for interrupting but your five minutes are gone and then a few extra, so I think we'll move to Mr Runciman and the Conservative caucus.

Interjections.

Mr Runciman: Another long-winded politician. Mr Mills raised this issue and I was just reading a press report on the auditor's report with respect to the per diem costs. I'd like to know what the difference is. I guess this would be to the deputy. We've heard several references now to the per diem costs being the lowest in Canada. I think you made reference to that, or someone did. I know Mr Mills did.

The story talks about per inmate costs. Ontario's spending is nearly double what's spent in New Brunswick and Saskatchewan, the provinces with the lowest cost per inmate. I'm just wondering, what's the distinction here with per diem costs versus per inmate costs? I know you've been using this to justify your costs in the per diem element, but which is more relevant for our consideration, per diem or per inmate?

Ms Noble: Certainly from our perspective, the manner in which we normally talk about the costs would be on the per diem basis in the sense of what we're looking—it's very difficult to take some costs and break those down and attribute them to individual inmates, so consequently what is the normal practice is to look at the cost of the operation of the institution for a period of time and look at the number of inmate days that take place during that period of time, and then use that as a basis of examining comparative costs. From a practice point of view, that is one we would be looking at, in terms of how we deal with it.

Mr Runciman: Madam Chair, I don't know if this is procedurally correct, but I would like to hear the auditor's response to that because I know, certainly in the news stories, they were talking about per inmate costs and the auditor has raised it in terms of bringing it to the public's attention. I am wondering if he accepts what the deputy is saying, that perhaps a more relevant or more appropriate analysis is looking at it from the perspective of per diem, versus per inmate. Is it appropriate to ask that question?

The Vice-Chair: First of all, procedurally, Mr Runciman, there's no problem at any time for a member asking the auditor to respond.

Mr Peters: I certainly agree with the deputy that the per diem costs would be more relevant, largely because the denominator can be more easily determined. We have strange averages. If you get per diem, 68.3 days, how do you measure the half day and how do you charge it? So the denominator, the per diem—I'm not sure—I think you're referring to a Globe and Mail article on December 8.

Mr Runciman: Yes, that's right.

Mr Peters: Actually, it's rather surprising. I almost had a feeling when I looked at that article that they may have made a printing error. They say "average daily cost per inmate."

Mr Runciman: Yes.

Mr Peters: It's actually the same thing; it's the per diem per inmate, so it's the per diem. I think the deputy and we are saying the same thing and the newspaper article is talking about the same thing. We are saying that to run that institute, that by the total number of clients handled, it's per diem.

Mr Runciman: In your report, you have a graph showing average daily costs per inmate by province, 1991-92, showing the Ontario costs at $140. If you don't think that's a relevant yardstick for us to use, or the public to use, why did you bother having a graph chart in your report? Why did you draw it to the attention? Why didn't you solely deal with per diems?

Mr Peters: Oh, sorry. We may just be on a semantic. To me, daily costs means per diem.

Mr Runciman: Okay, then we have a difference of opinion here, because we're hearing from the ministerial staff that they have the best per diem costs in the country and your chart says—we're talking about apples and apples here—they have the highest.

Mr Peters: Yes, they do. Perhaps you wouldn't mind taking a look at the chart on page 159.

Mr Runciman: I just have the research provided by the researcher.

Mr Peters: Oh, sorry, I'm referring directly to my report.

Mr Runciman: I don't have a copy of it.

Interjection: It's on page 7.

Mr Peters: It's attached to your document.

Mr Runciman: That's the one I have, page 7, yes.

Mr Peters: It says on the left-hand side "per diem."

Ms Noble: In terms of the statement that the ministry is making, just as an attempt to clarify, the diagram or the chart that appears in the audit report takes into account the full range of facilities we have here in Ontario. The $140 per diem in fact reflects the per diem across both the newer and efficient institutions and the older and much more costly institutions. It is an average across the whole system. The point the ministry's been attempting to make is that for our newer institutions—

Mr Runciman: Okay, I misunderstood you.

Ms Noble: —that the per diem for the new institutions is a very cost-effective one, comparatively speaking. The older institutions are what brings up the provincial average.

1540

Mr Peters: Correct. That's the very point. Mr Mills raised that question originally. We acknowledge that in our report, incidentally.

Mr Runciman: Is that a fair comment, though, if we're using these statistics on a comparative basis, that if we looked at the other provinces in terms of what the deputy is saying about newer facilities and so on—you haven't looked at that, I guess.

Mr Peters: Yes, we have looked at that. We've specifically pointed out also that within Ontario, the newer institutions in Ontario are actually run at a cost below the per diem. I think the paper turned our chart sideways. We are running at $96 per diem. In other words, Ontario is actually running, in its newer institutions, below the national average, and it's running extremely high above the national average for the old institutions, some of which are 124 years old. I think one was built in 1820.

Mr Runciman: Thanks for that. Another element of this: Again, I'm drawing this from a Globe and Mail story, which may be a mistake, but they're talking about how one of the justifications from the ministry was that the health and safety issues meant that five additional employees were needed at each institution. What specifically are we talking about in terms of health and safety issues? Was this Bill 208 or was there some legislative requirement that mandated the hiring of five additional employees at each institution?

Mr McKerrell: The occupational health and safety factors are related to increasing concerns that correctional staff had for their safety back in the late 1980s. As a result of the occupational health and safety legislation itself, there were some issues there, but the occupational health and safety reference that we make is primarily to the safety considerations of staff which were raised in 1989.

Mr Runciman: These were internal considerations, though? You weren't required by any act passed by government to have additional people on for health and safety reasons?

Mr McKerrell: We had a strike to help encourage us.

Mr Runciman: So as part of the settlement, you agreed to hire additional people.

Mr McKerrell: As part of the settlement, it was recognized that there were some problems that had to be addressed, and part of that resulted in some additional staff being added.

Mr Runciman: Was that the result of an arbitrator's award or was that a negotiated settlement through the strike process?

Mr McKerrell: It was negotiated.

Mr Runciman: Okay. We talk about health and safety, and this sort of leads into a question with respect to the concern about HIV in the provincial institutions. I know that concern has been raised, and we talked about mandatory testing. What's going on with respect to that, isolation of these individuals and that sort of thing?

Mr McKerrell: If you'll allow me to bring Dr Humphries forward, he'll speak to that.

Dr Humphries: Mr Runciman, our steps in this area have actually been a process started in April 1985, when we admitted our first potential HIV candidate to the Ottawa-Carleton Detention Centre.

Mr Runciman: How did you identify him as a potential candidate?

Dr Humphries: He came in with that knowledge ahead of time and we had him checked out with an internist in Ottawa, sir. Needless to say, it created a fair bit of concern among our staff. It led to us developing a policy with the Ontario Public Service Employees Union later that year, an information booklet which was sent out to all our staff, both at administration and bargaining.

That continued through until about March or April 1989, because facts were changing so rapidly at that time that it was almost impossible to send out anything that would remain up to date for more than two weeks. At that time, we came out with our new communicable disease policy, which involved all communicable diseases, with emphasis on AIDS and hepatitis B.

Mr Runciman: This has been in effect since 1985?

Dr Humphries: Since 1989. The policy in essence says that if an individual is really significantly ill and needs admission to a hospital setting, they will be admitted. If they're significantly ill but don't require admission to a hospital setting, they will be placed in or close to the medical unit of the institution. If they don't require either of those situations, but they have a special

need, such as an active drug user or an active homosexual, then they will be placed in a special needs unit. If they have none of those, they will be placed in the general population.

We taught all our staff on general infection control measures and good hygienic practices—we use the buzzwords "universal precautions"—and provided them with all the necessary equipment and trained them.

Mr Runciman: So for example, there's no testing done when someone enters an institution to determine whether they are a carrier or have AIDS. When someone's in the general population and has some sort of a seizure, for example, your staff really have no knowledge, so you're saying they have to approach this person as if they were a potential carrier.

Dr Humphries: Absolutely.

Mr Runciman: If there's mouth-to-mouth resuscitation required, there are certain steps they have to take and so on.

Dr Humphries: Yes, and they carry special little mouthpieces that they can use for that purpose and there are special masks that are in each of the modules with disposable mouthpieces and one-way valves.

Mr Runciman: What about restraining someone, when they get into a difficult situation and blood could be mixed? I guess what I'm getting to here is your own view, Doctor, about the whole question of testing inmates.

Dr Humphries: I think it would be absolutely marvellous if we could test the way we do for tuberculosis. We can't because of legal requirements right now, but secondly and probably more importantly—

Mr Runciman: Are these charter requirements you're talking about, a violation of their rights?

Dr Humphries: Yes, absolutely, a violation of their rights.

Mr Runciman: How do you know that? Has this ever been tested by the courts?

Dr Humphries: Not that I know of.

Mr Runciman: So it's a question of being—

Dr Humphries: Careful on our part.

Mr Runciman: But I suppose the employees would say you're not being careful enough with their safety.

Dr Humphries: Yes, but more importantly, I think we could seriously consider going in that direction if we thought it would do the trick, but we think it might make the place less safe because of the window period. As you probably are aware, the positive tests won't show up for approximately six weeks to six months, so if an individual came in and was positive but did not show up positive, then our people might get quite careless. We have to assume that everyone has it.

Mr Runciman: I don't accept that as an adequate argument to not test. There's also a responsibility if you're putting these people back out on to the street and you have really no knowledge of whether they're carriers or not, and I guess there's also the question of transmission within the institution. I know you've done some things, I gather supplying them with condoms and so on. I just wonder how much of a problem that is. I think the public at large, when you read that inmates in a correctional facility are being provided with condoms, I guess most of us are pretty naïve. You wonder about the kinds of activities that occur there and I suppose there are some limitations on what you can or cannot do in terms of controlling the activities of occupants, but is that a real problem within provincial institutions?

Dr Humphries: I don't believe so. I would not for a minute deny that kinds of sexual activity probably take place, but I think, and I have no question about this from a medical point of view—

Interjection.

Dr Humphries: From a medical point of view, I have to support the idea of having condoms and dental dams available, because here we are, a medical community preaching the safety of latex condoms and everyone should use it, da-da, da-da, da-da, so why would we not make it available internally?

Mr Runciman: I applaud that, but I think that at the same time, if you have that concern, you should be advocating the other concern you have, but perhaps on a stronger basis, in terms of mandatory testing. I'm in support of that.

Dr Humphries: But you see, if our average stay is less than 80, which for the most part we've established—

Mr Runciman: Still, there's a public concern here too. The stay may be less, but those results are going to come in. Then you'll know and at least that person can be alerted, and others can be alerted in respect to that individual.

Dr Humphries: Not necessarily because our average stay is less than 80 but the test may not show positive to beyond six months.

Mr Runciman: Oh, I see.

Dr Humphries: Do you follow me?

Mr Runciman: Sure.

Dr Humphries: So we're probably going to miss the majority. Our people are going to say it's only the ones that we know of are infected but we might be missing—

Mr Runciman: Better than nothing though, isn't it?

Dr Humphries: Yes.

Mr Runciman: How much time left?

The Vice-Chair: You have four more minutes.

Mr Runciman: I'll give it to Mr Jordan.

1550

Mr Leo Jordan (Lanark-Renfrew): I would like to refer to the older jails or centres. You seem to be putting a lot of your cause of high costs on these smaller units. Have you identified just what sector of that smaller unit is so inefficient that it could raise the cost of operation to the extent you indicated to us?

Mr McKerrell: Yes. That's very straightforward to demonstrate and I'll ask Kurt Jensen to outline it for you.

Mr Jensen: In the information I handed out just a few minutes ago, in addition to the type of facilities that we have and where they're located and their age and capacity, there are also some charts in there that show

floor plans of three institutions.

One of them is the Fort Frances Jail which has a capacity for 20 inmates but usually runs, on average, about 10 just because of its geographic location.

The second is a living unit at the Metropolitan Toronto West Detention Centre which has 40 inmates in it, and that unit is actually part of a floor of the Toronto west detention centre. So there are actually three of these units on each floor in the Toronto west detention centre.

The third drawing is two floors from the Barrie Jail, which also has a capacity of 120 inmates, the same as the Metro west detention centre.

To supervise 10 inmates at the Fort Frances Jail you need two staff to provide for their daily living needs, to give them toilet paper, to take requests, to pass food in to them, to do cleanup, all the normal kinds of activities that they would deal with or interact with inmates on on a day-to-day basis.

Those same two staff are able to supervise and carry out those duties for 40 inmates at the Toronto west detention centre, and six staff can do that for 120 inmates, because of the way the Toronto west detention centre is laid out. It's a much newer building. It was built in 1977, and the Barrie Jail, if you look at the floor plans of the Barrie Jail—that's the one that's like this; there are two of them there.

You can see from the configuration there that the cell areas are spread out over two floors and they're very small cellular units. What that means is that to look after the 120 inmates for those same needs at the Barrie Jail takes seven staff during days and afternoons. The real difference, or an even more pronounced difference, comes in on the midnight shift when two staff supervise 120 inmates at Metro west and two staff still supervise 10 inmates at Fort Frances and four staff are required to supervise the 120 inmates at the Barrie Jail.

Since 25 of our 50 institutions fall within that small-jail category, that really has an impact on that staff-to-inmate ratio, probably two and a half times that of our newer facilities.

Mr Jordan: I noticed on your list that there are 12 older units out of the 50 or so that you listed. I'm gathering from what you say on these drawings that even though the outside structure and the architecture are in good condition, it wouldn't be feasible to redesign the interior.

Mr Jensen: No. Most of them are built out of three-foot limestone walls. As a matter of fact, I started my career at the Milton jail. It was spread out over three separate areas and the whole thing had a capacity of 36 inmates and we had three staff assigned to do the kinds of duties that two staff would do for 40 inmates at Metro west. There really is architecturally no way to make them much better from supervisory points of view.

The real impact is that if you have people locked in their cells, you have to have somebody there in case of emergency, for health and safety both for staff and for inmates. If your units are spread out and they're separated by sound and lines of sight, then you need a certain number of staff to be able to provide that level of safety. In the old places, it's very difficult to do that without having more staff than in the newer places.

Mr Jordan: I notice also that relative to the smaller unit the number of days sick leave is quite a bit less than in the larger units, and I notice the management sick leave is higher than the union staff in the smaller units. Is that related to stress or personnel, I wonder, or is anyone—

Mr Jensen: Part of it has to do just with the number of people you have to draw from. The management staff in a small jail is comprised of six people. The management staff at the Metro West detention centre might be comprised of 40 people. If one of those five people is off for an extended period of sickness, then that would certainly skew the average sick days in that institution.

At the Toronto west detention centre, there are almost 300 staff, so even if five or six of them are off for an extended period of time, the others kind of even out the average, whereas in a small jail, you have an average of 18 correctional officers in most small jails, plus you have six supervisory staff. You don't have to have very many people who are sick for a very long time before you start to skew the average attendance figures.

Mr McKerrell: Also, the managers in those smaller institutions tend to be older because of the stability of employment and so forth, so genuine health factors come in.

Mr Jordan: So the real loss of efficiency is the relationship of staff, then, to the inmates that you require, in numbers, I mean.

Mr Jensen: Yes.

The Vice-Chair: Mr Jordan, I'm sorry, we've gone a couple of minutes over for your caucus, so I'd like to move on to the government caucus.

Mr Mills: I want to get back, since we've touched on it and I didn't think we would at this stage, to the sick days. I just want to clear up the impression in the auditor's report, that the average of 30 days everybody's sick is really an anomaly and that the actual sick day average for institutions was 14½ days for bargaining units and almost 10¾ days for management staff in 1992.

Having said that, what I want to get straight is that I get the idea from the auditor's report and from what we've heard from other committee members and what we read in the newspapers that all of a sudden, attendance is a problem at the institutions, the jails, in Ontario, and I don't believe that. I think this has being a problem for years and years in other governments and I'd just like to hear that verified. Am I correct?

Mr McKerrell: Yes. Attendance is a significant factor in all correctional jurisdictions for correctional officers and correctional supervisors. The work is difficult and there's no point in pretending otherwise. It's stressful, and sometimes people get hurt on the job. All those factors have to be taken into account. In correctional jurisdictions, I think you would find there would be a higher level of sick credits used than you would find in a less stressful, less taxing job environment.

The business of the attendance is something that has been a problem for years. It is not a new phenomenon,

and we have over the years developed a range of attendance management programs. Every one of our places to one degree or another has an attendance management program.

The problem that we have is getting an attendance management model that will be applicable through all our institutions. Attendance management is a very labour-intensive kind of process and it takes a great deal of time on a consistent basis looking at people's attendance, looking for patterns, looking for issues, following up with individuals. Tom Watson mentioned that some people are opposed, in their view, to prying into why they're ill. If they fail to cooperate, then we can't compel them to divulge health information; it's private.

But we do try to monitor these absences, and we're trying to come up with a model that we can consistently apply across every one of the 50 institutions so that where we know we have a good model working and it's been tested at the Grievance Settlement Board and so forth and it stood the test of time, if you like, or the test by fire, whatever, we can get similar features involved at all our sites, recognizing that we don't necessarily have all the management resources to deploy to deal with the problem. As I say, it's very labour-intensive. So we're trying to come up with a best practices model, as the deputy indicated.

1600

The Vice-Chair: Mr Mills, before we continue with your line of questioning, the auditor has asked to make a comment.

Mr Peters: You indicated that we had said in the report that the average number of sick days was 30 days. Indeed, we did not say that.

Mr Mills: I stand corrected.

Mr Peters: What we did say is that one institution mentioned that its sick-day average for 1992 is 30 days. That is one. We provided a range of the eight institutions we visited. The lowest was four and a half, and the highest was 20. We later on report how there is an overtime relationship. I just wanted to put the record straight.

Mr Mills: In terms of the rate of sickness, I recognize the stress due to shift work alone, and compressed work weeks are very stressful; further to that, the very fact of correctional staff working in close contact with people who generally are not very healthy.

I don't know if you want to comment on this. I was a public servant under all three governments, and I can tell you that a factor was the changing around of the benefits, and I'm interested in seeing what the other ministries are. When we had a system where you could get credit for being there all the time paid as a bonus at Christmas, I don't think absenteeism in many ministries was a problem. But when you said arbitrarily, "You get six days and if you don't take them you've lost them," then you ran into a problem. People see that as part of the collective bargaining agreement and they take them one way or the other.

When we get to more than six days, the system provides only 75% of the day's pay, so I think it's fair to say that means that people are sick. I presume if you're going to go over six days you've really got a problem, because you have to supplement that time with your own time, holiday time or anything. I just want to make that point.

I know the ministry is working on a new attendance monitoring program. It includes, I believe, an explicit statement regarding an acceptable number of sick days. What is that number? Have you got to that yet?

Mr McKerrell: I suppose the quick answer is that an acceptable number of sick days would be zero. We look for everybody to come to work, and if they're genuinely ill the benefits that were negotiated are there for them. In terms of us getting concerned, we would get concerned if we see a pattern starting early in the year and then project out from that. But my objective is to have perfect attendance from all my staff but for legitimate illness.

Mr Duignan: Along the same line regarding sick days, the older institutions tend to be the smaller jails with 50, 40, 35. I've been looking at the figures here, and it's interesting to compare. That's where the tendency is to the higher sick days. Is there a reason for that? Had you looked at that? Take Haileybury Jail, for example. The average management sick days in 1992 was 27.57; that jumped to 45.55 for 1993. Did you look at the reasons behind that?

Mr McKerrell: The Haileybury Jail was the subject of a number of workplace discrimination and harassment complaints, and the independent investigation unit conducted a number of inquiries there. It had a very traumatic effect on all the staff in the institution: bargaining unit, management and so on and so forth. A number of people went off on extended sick leave with the stress of the situation.

Mr Duignan: The bargaining unit actually went down. It's the management that went up.

Mr McKerrell: I didn't say it was otherwise, but it was a factor. It was management people who were being investigated.

Mr Duignan: Have the necessary procedures gone in to correct that situation?

Ms Noble: In fairness, we suggest that the situation reflected in these statistics is a quite out-of-the-ordinary circumstance for that institution, and we have been taking the steps necessary in order to deal with the issues there.

Mr Duignan: If you compare two other institutions, Metro Toronto West Detention Centre and Mimico, they're roughly the same but there are wild differences in sick days between the two. What would be the reason? Both have roughly the same number of inmates and both were built recently, in the last 20 to 40 years.

Mr McKerrell: Which year are you looking at?

Mr Duignan: Look at both years in Metro Toronto West. The management in 1992 has gone down and so has Mimico's gone down. But look at the difference, 5.30 average to 40.09, and average 4.06 versus 22.63 sick days. Why the wild difference in averages?

Mr McKerrell: We were going to have the superintendent of Metro West here to explain his attendance

review program, which is part of the model we're looking at, but he was involved in a car accident so he wasn't able to tell you. In fact, the program in effect at Metro West—it has been for a number of years—is very effective. There are one or two others that are similarly effective and have similar features, and those are the ones we're looking at to see if they can be adapted for all of our places. Mimico clearly would be a good candidate.

Mr Peters: May I raise a technical to help out? The 1993 numbers are just for nine months so you have to annualize them. On an annualized basis, for example, the 22.63 in Mimico would become 30.17. The ministry may wish to correct that, but that is just an impression we have, what we think. On an annualized basis, the averages would be 15.57 for 1993 and 12.12. In other words, it would show an increase over 1992, but I'm not sure if I'm correct.

Ms Noble: I would be careful about just projecting them in a straight-line way for 12 months, because obviously the patterns of leave—particularly in some of the higher numbers where you may have a serious illness of one individual. If it wasn't clear, the fact that the 1993 figures are nine-month figures is definitely to be taken into account. They're not directly comparable numbers. It was simply an attempt on our part to show what it had been going back over a period of time.

Mr Duignan: So the problem could be worse. We don't know. How long has the model in Metro West been in operation?

Mr McKerrell: Several years. I can't be specific, but I can find out for you, if you like.

Mr Duignan: If it has worked in Metro West over a number of years, why hasn't the ministry taken a look at this before now and why isn't it implemented in other institutions?

Mr McKerrell: As I indicated, there are features of these programs in the larger institutions that are not as easily applied in the smaller places. We have asked our team of individuals looking at it to take the best features from these effective programs and look at similar programs from the private sector and other levels of government and try to get a model that will work and withstand the disciplinary tests and be applicable in all of our centres.

Last week, one of the people was off talking to the people at the municipality of Ottawa because they have quite a successful program. We're looking at all these different things to get the best practice we can.

1610

Mr Duignan: Why wasn't it done before now in those institutions that are comparable? Metro West and Mimico are similar in terms of numbers of population, with only 20 years' difference in construction of the buildings. Why wait? How much longer, another two years before something like that is instituted there?

Mr McKerrell: There's also a difference in the age patterns of the staff between Mimico and Metro West. Metro West has a younger staff and there's an older staff at Mimico, so that's a factor. I can't give you a breakdown, but I know that's the case, and it would have implications for the attendance pattern.

Mr Duignan: I'll come back to that later, to give my colleague time.

Mr Mills: If you look at this chart you just say, "Goodness gracious, look at this." I want to get this clear. In Mimico, you've got management 40.09. It would only take someone with a serious illness, a long-term disability, to jack those figures up like that, so these figures are not really unreasonable given the job, given the chance of catching diseases, given the fact that people do get older and some get sick. It wouldn't be beyond the realm of my imagination to look down to those figures, something like 30 days, and say that obviously someone has been very ill. Would that be a fair assessment, rather than to assume that everybody is beating the system?

Mr McKerrell: Absolutely. Tom Watson, I think it was, alluded to this earlier. In larger and smaller places, the figures can be skewed by a few longer-term illnesses. If someone has a heart attack they can be off for three or four months, or with a broken limb they can be off for a couple of months, depending on the seriousness. The management group is smaller and the figures get skewed accordingly.

Mr Mills: As correctional guards are somewhat akin, in the stress value of shift work etc, to provincial police, has there been any assessment done to see if these figures are compatible with our police forces?

Mr McKerrell: I haven't seen them myself, but I'm given to understand that there is a similarity. How close it is, I can't tell you.

Mr Mills: It would seem to me that in analysing this, contrary to the belief you see in the media that this is outrageous, it really is not at all, in those terms. A comparison would be vis-à-vis the police in terms of the type of job, shifts etc.

Mr McKerrell: I'm anxious to get the attendance pattern down, and that's no line. When I was a superintendent, the average attendance in my institution, which was the Don jail, the Toronto Jail, was down around 10. That was quite a while ago, but at that point in time 10 was a reasonable average across the system. As I said, my preference is perfect attendance. We have a number of places where the attendance figures are really quite low, yet it can be just as stressful a job there. You have to look at what other factors are coming into play.

The whole business of attendance review and attendance monitoring is very complex. I wish it were as simple as "Add water and stir" but it isn't. We are absolutely determined to get the level of attendance down because it is extremely expensive. We feel that with this attendance monitoring process we're going to put in place and are going to enforce, soon—as I said, April 1—we are going to see some improvement.

The Vice-Chair: Before we go on to the final round of questioning for the afternoon, the auditor has a few questions of the ministry.

Mr Peters: To help clarify, probably your ministry is the same as our department, that if persons have more than three days' leave they have to bring a medical certificate. Would that be the rule here too?

Mr McKerrell: Yes.

Mr Peters: And with these certificates, is some sort of analysis carried out as to what exactly the pattern is? That would be one question. The second is complementary in a way. We found that the institutions which had low absenteeism were those that seemed to take disciplinary action of some sort. I wondered if you might want to comment for the benefit of the committee on the benefit of disciplinary action.

Mr McKerrell: Taking the last point first, one may tend to think of disciplinary action as dismissal, but there are levels of discipline well short of dismissal. Sometimes those methods are effective and sometimes they're not. Sometimes even dismissal is not particularly effective. As a superintendent, I myself dismissed someone for poor attendance; the individual was constantly off. I couldn't get the individual to come to work so I could fire the person, so I fired the person over the telephone. The Grievance Settlement Board reinstated the individual and said I shouldn't have fired the person over the telephone. There are all kinds of horror stories about people who have tried to take disciplinary action and been unsuccessful, but we believe where there is a concerted effort, the message gets through to the abuser eventually, and it's the abusers we're concerned about. People who are legitimately ill are entitled to take the benefit that's been negotiated for them.

On the other point, the collective agreement outlines when medical certificates are required. It's three days for the bargaining unit and five days for management, if I remember correctly. It's a while since I've dealt with this front line myself. Oh, I'm being told it's five days. If you suspect abuse, you can ask for it at any time, but you have to be able to justify your suspicions. You can't just say, "I think so-and-so is pulling the wool over our eyes." You have to be able to document the reasons you think so-and-so is swinging the lead. So yes, we do follow the collective agreement in asking for medical certificates.

We also ask for medical examinations where we consider there may be an issue. Again there are certain procedures that have to be followed. The guidelines have been laid down as a result of arbitration decisions, so it's all really quite structured, and it's very time-consuming. It takes a long time to establish a pattern, as you know. It can take two or three years, and it has to be done consistently. You have to be able to demonstrate that the process is applied fairly to all people in the workplace and that you're not picking on individual A, B, or whatever. Eventually you reach the point where you can take some disciplinary action.

With medical examinations, the employee has to agree to allow the results of the medical examination to be conveyed to you by the physician. If the person doesn't do that, you don't get any information. When we send someone for a mandatory medical, we send a letter to the physician outlining the nature of the person's job. In other words, if it's a correctional officer, we'll say, "Would you please examine so-and-so and provide us with an opinion as to whether or not he or she can do the following functions," and we list the functions, 15 or 20 of them, that are all directly applicable to a correctional officer's job. What we look for back is the physician saying, "I've examined this person against the list of your criteria and yes, this person is fit to do this work." The first thing on the list, as far as I'm concerned, and it's one of the features we intend to build in, is regular and consistent attendance at work according to the schedule. We ask the physician to evaluate the person on that criterion.

1620

If we get all that information, we're in a better position to understand whether we're dealing with a malingerer or someone who is genuinely ill, and you deal with it accordingly. Disciplinary action, as I said, can be handed out.

If we don't like the medical certificate—somebody may just go to a doctor and say, "Hey, Doc, I was sick yesterday," and the doctor may write out a note saying, "So-and-so says they were sick"—we wouldn't necessarily accept that. Our managers are entitled, we're advised, to question that and ask the employee to get a more definitive statement from the physician.

So there's a lot of stuff to this. As I said, it would be nice if we could just add water and stir and have a solution, but it's far more complex.

Mr Peters: Just one comment while Mr Runciman is back in the room. I wanted to talk again about the per diem. What the deputy and I are using, what we are all using, is Statscan information; that's the basis on which they are providing the information, the common source across the system. To put that on the record, that's our most common source and that's how they are measuring.

The Vice-Chair: Before we go on to the final round of questioning, I wonder if the ministry could clarify a technical point for me about the floor plans you provided to the committee. I'm looking at the ones for the Barrie Jail; some of the cells seem to be extremely small. Are the floor plans actually to scale? Some of the cells appear to be no wider than the width of a door, so they'd be maybe three feet maximum and six or seven feet long, if this is to scale.

Mr McKerrell: That is the size of the cells in these old jails. They are the width of a single bed. In order for the individual to be in the cell during the day, the bed has to fold up against the wall. They are about three feet wide and seven or eight feet long. That's the size of the cells built in the 1800s, and that's why we find these old institutions unacceptable.

The Vice-Chair: Hardly the lap of luxury that sometimes the media portray.

Mr McKerrell: Let me hasten to assure the members I have yet to see a correctional institution that really is the Hilton that is often described in the media.

Mr Duignan: What Cam Jackson said yesterday: Lobster and filet steaks.

Mr McKerrell: Yes, there's a lot of baloney that floats around in the media about that. None of Ontario's correctional institutions are palaces, I can assure you.

The Vice-Chair: Thank you for that clarification. We'll go into the final round of questioning, about 10 minutes per caucus.

Mr Callahan: Is it 10 or 20?

The Vice-Chair: We want to adjourn a few minutes before 5 to go in camera to decide the agenda for the rest of the week.

Mr Callahan: I'd like to go back to your comments about the high incidence of management and bargaining unit absences. You've indicated that in the Haileybury situation, with management being almost 46 days and 24 days for union people, this was as a result of an investigation into harassment. Can I draw from that that the numerous other instances where there are high proportions or great increases in management absence, for instance Mimico—well, that may turn out to be just about the same as it was in the other. But in some of the others where there have also been investigations of sexual harassment, that has created these increases in absence?

Mr McKerrell: No, that conclusion can't be drawn. A wide range of factors would account for these variations across the 50 places. We know Haileybury was affected by that incident, and that's why we provided information.

Mr Callahan: Maybe to save time you could tell me which other ones on there were also investigations that caused the problem of increased sick time.

Ms Noble: The situation at the particular facility in Haileybury was a combination of the number of complaints leading to investigation against the backdrop of a very small staff, which led to our comments. I would not suggest that any of the other institutions would have had a significant impact due to investigation of complaints. That does not mean there have not been complaints under investigation in the other institutions, but the situation is that Haileybury was so small and therefore the impact it had in that particular institution was great.

Mr Callahan: I presume that having told us about Haileybury, you can undertake to give us a list of the other institutions on this sheet that were also under investigation. Can I get that undertaking?

Ms Noble: I think we can give you an indication of the institutions where there have been complaints raised in the system over the last year. We can do that. We have some considerations with respect to confidentiality etc that I would want to take some advice on in terms of going beyond that, in terms of numbers etc.

Mr Callahan: We're not asking you for names; simply those institutions in which there were sufficient complaints that it warranted an investigation. I think we're entitled to that as the public accounts committee.

Ms Noble: I'm saying I am prepared to provide to the committee a list of the institutions where there have been complaints, and we are obliged to investigate all complaints that fall under the policy.

Mr Callahan: So we can assume, when you supply us with those where there were complaints, that there were in fact investigations?

Ms Noble: That's correct.

Mr Callahan: According to the auditor's report, when a person is sick you have to go to a pool of people who have qualifications, ex-correctional officers or whoever, to come in, kind of like the teacher situation where you bring in a supply teacher. Is that right?

Mr McKerrell: Yes.

Mr Callahan: Something like $12 million, as I understand from the auditor's report, has been spent on this activity, and that's obviously not disputed. My good colleague from the government party indicated that at one time there was a process in place whereby people were able to keep their sick leave and accumulate it.

Mr Mills: Your government did that.

Mr Callahan: That's probably a good idea, actually—

Mr Mills: I mean they changed it on me.

Mr Callahan: I see. Has there been any consideration of going back to that? I know of several industries that use that operation. They find it's better to credit these people with those days, either in terms of shortening their retirement period or a credit at the end of their employment, than to have to hire people, often at overtime, and lose $12 million.

Mr McKerrell: I can make a couple of comments. One is that we as a ministry can't create changes unilaterally to benefit packages that would apply equally to all ministries in the government. As the deputy mentioned, this issue of attendance is something we're exploring with OPSEU on a larger stage and it may be—"may be," I say—possible that different approaches can be discussed and considered and then result in negotiation.

However, I would hasten to point out that in the days when people were able to cash in some of their attendance credits at Christmastime, there was no long-term income protection plan. The whole benefit package was restructured in I think the early 1980s or late 1970s; it goes back quite a while. They used to get 15 days a year, if I remember correctly, of which a certain number of unused days could be cashed in around Christmastime. All that was done away with and replaced with this current plan where people are on full pay for six days and then on 75% pay for 124 days, for a total of six months worth: 130 days of protection. If they have a serious illness and they're not able to return to work within that period, they go on long-term income protection. It was a whole new plan that was brought in to replace the old one. Any change to that to bring back some sort of incentive program would have to be negotiated across the government.

1630

We are having our own attendance review management committee look at what kinds of incentives we can do in-house, but we're looking at pretty small stuff, quite frankly: letters of commendation for perfect attendance and things of that nature. There is a government policy that says you're not supposed to reward people for coming to work, so there's a limit to how far you can go in terms of attendance incentives.

Mr Callahan: I guess people out there in the private sector would look at this and be absolutely astounded that you can have six days guaranteed and that you can go for another 124 days at 75% of your salary. I presume if I did that, I would bring in a letter at the end of it saying I'd been sick.

Mr McKerrell: Oh, yes.

Mr Callahan: But you'd have no way of knowing how sick I was or how long I'd been sick. Obviously, the criticism of the auditor is that the programs that were in place were unacceptable, clearly not capable of monitoring this whole program. It almost became an opportunity to try to out-sick-time the next institution, from the looks of the figures I have here.

I want to go to another item. Perhaps I can ask Dr Humphries about this. There's a lady in Orillia who's been watching this. She wants to know what criteria a 14-year-old has to meet for treatment when he has Tourette's syndrome—I'm not sure what that is—and other associated disorders such as aggression, obsessive-compulsive disorder etc. Is there treatment for that type of illness?

Dr Humphries: For a 14-year-old?

Mr Callahan: Yes. He's going to be released in February and they're concerned that all he's gained is—I gather these people must have some degree of manipulation from that disorder, because he's learned new tricks, she says.

Dr Humphries: He would not be within our system, Mr Callahan.

Mr Callahan: He'd be Community and Social Services, would he?

Dr Humphries: That's correct. I shouldn't try to comment on their behalf about what resources they have available.

Mr Callahan: Okay. I'll take that up with them.

To go back to the question of staffing, it appears to be almost one to one: one correctional officer to one prisoner. Am I correct?

Ms Noble: Averaged across the system, those are the numbers, yes.

Mr Callahan: Has this arisen, and I think you've already indicated it has, partly as a result of the fact that in our efforts to be civilized and sympathetic in closing institutions, we've dumped all the people who have medical disorders into the correctional system when they get into trouble? We've got people with AIDS in the jails, which has to be dealt with. We've got drug disorders, people who are cross-addicted to drugs and alcohol or whatever. Is that the reason we have such a high ratio, one to one?

Ms Noble: The ratio of staff in our institutions is due to a combination of factors. One factor is the needs of the individual inmate, those clients who come into the system with the kinds of special needs you've raised. When those services are in place, there are higher staffing ratios. For instance, in those facilities where there are treatment programs, there are higher staffing ratios than where there are not.

I think it would be unfair to say that's the only reason in terms of staffing ratios. We've spent some time commenting and I think we'll be discussing further the requirements of the young offenders vis-à-vis the general adult population. We've talked to some degree about the issue of the numbers of staff needed to supervise inmates depending on the configuration of the building in particular. While the issues that have been raised in terms of the needs of the inmates is certainly a factor, it is not the only factor that contributes to the staffing needs in Ontario.

Mr Callahan: I think somebody said 900 of those employees are related to the YOA situation. I have to conclude that the balance is a direct result of the type of offenders that these people, men and women guards, are required to police.

I'll end with a rhetorical question. It seems to me that it's a mug's game to do what we did: release these people out on to the street, particularly people with mental illnesses or people who perhaps, as Mr Runciman said, have AIDS and are going to be out there looking for treatment, many of them not able to find hospices; to spend all this money on correctional facilities where that really isn't the place to correct the problem. That money would be better spent and more wisely spent in creating other facilities to deal with these things which are really medical problems, not correctional problems.

I hope, in your interministerial discussions, you take that up as a consideration. I've had judges who have literally jumped out at counsel for having a person before them who is a schizophrenic or whatever, saying: "This is not a correctional matter. This is a matter for the mental health situation." The sooner we wake up to that fact and start dealing with it—this young boy, if he gets turned back out on the streets, what's happened? Have we advanced his position one whit, or have we ensured that he will be back knocking on the door, back in jail probably, to serve a life sentence on the instalment plan? I hope you will take that up with your interministerial people.

Mr Runciman: Just a comment with respect to what Mr Callahan was raising about the staff-to-inmate ratio the auditor talked about, again relying on the Globe and Mail article, not having the auditor's report in front of me. The auditor raised instances of three inmates who escaped while supervised by non-correctional staff; one was supervised by a cook. In response, the minister is quoted as saying that it's not unusual for cooks to do this sort of thing. I'd like to hear the deputy's response to that. If you have an extremely high staff-to-inmate ratio, how frequently do you have to use cooks to provide this kind of service?

Ms Noble: I don't think it was a situation where the cook would have been supervising due to a lack of correctional officers. The situation we have in the institutions is that for some inmates there is the opportunity to work in the kitchen as a work opportunity within the institution. The inmates chosen for that duty are screened in terms of being in that kind of setting. When they are in the kitchen, the cooks would be in the position of supervising them. I should note that should that take place, in fact in any circumstances, the staff who would be put in that position are trained at the institution in terms of the understanding. I think it's fair to say we weren't into that supervision situation as a result of a shortage of correctional officers; it's the way in which we supervise the inmate groups who work in the kitchens.

Mr Runciman: They are usually, you suggest, a more

trusted individual supposedly, and that's why they have that responsibility.

1640

Ms Noble: That's right. They are screened. Mr McKerrell has just indicated to me that one of the reasons there's an interest in doing this is that there is some compensation for the inmates for the work they do in the kitchens.

Mr Runciman: I want to get back to what I raised with Dr Humphries, dealing with something my colleague Mr Jordan was inquiring of me. I think it's something I should pursue a little further. There are two elements to it, the problems of sex within the institutions. He said he didn't think it was widespread. How long has the policy of providing free condoms and mouth guards been in practice, and how much of a takeup have you had?

Dr Humphries: Since early in October when the announcement was made, we set up an interministerial committee to study any reviews, issues, how often they're asked for and used. We're still collecting that, which will be reported to the health and safety committee six months after its introduction.

What we know from North American studies is that if you take 10% of the yearly population, that's approximately how many condoms will be handed out during the year. It doesn't mean 10 people will ask for one or one will ask for one 10 nights in a row. The statistics seem to support that; based on that, we budgeted accordingly and figured out that throughout our system it would be close to $2,000 a year. If it was condoms only it would be $1,700, but the dental dams are more expensive.

Mr Runciman: Using the American experience of the 10% is not necessarily an accurate yardstick or reflection of how much activity is taking place within an institution.

Dr Humphries: I would agree with that. It's not just an American study, though. Correctional Services of Canada, which has been in the situation longer than we have, agrees with that statistic as well, but they have conjugal visits and things like that.

Mr Runciman: When the average stay within one of your institutions is—I forget the figure you used—a rather modest period of time, you'd wonder why this would be such a problem. Or maybe it isn't such a problem. How do you gauge this? How do you know that the activity's occurring? Why do you introduce this kind of initiative? What prompted it?

Dr Humphries: Really a health care basis. Nothing more, nothing less.

Mr Runciman: When you say "a health care basis," what do you mean? Is that just a suspicion or hard evidence that it's a problem? Just what happened?

Dr Humphries: There are routines where our correctional officers survey the institution regularly, 24 hours a day and particularly at night, and we really do not have a lot of incidents or charges laid as a result of this behaviour. There are charges laid, there are incidents reported, but they're not highly prevalent and things that would give us a great deal of concern. But as I indicated earlier, if we're preaching to the general population that these things must be available and must be used, then we had the philosophical problem on our behalf of what happens behind the walls.

Mr Runciman: As you say, there aren't a lot of charges. The argument can be made, and I wonder if there isn't a blind eye turned, a tacit acceptance, especially when you're issuing protective devices, that: "This is occurring. We're not going to notice it. We're not going to lay charges." If you accept the reality that it's going to happen in any event and you do provide these protective devices, I think it should go hand in hand with an active attempt to lay charges whenever such an occurrence is captured by an officer. As you say, the charges are not very prevalent, but I suspect that with a lot of it, they simply look the other way or say, "Hey, break it up," whatever, and that's the end of it.

Dr Humphries: We did observe an interesting phenomenon which occurred as a result of the condom issue and as a result of a book we were using called Get the Facts, produced by the John Howard Society. A certain group or percentage—I don't know what the percentage is—of our inmate population was upset and turned off that we would be suggesting homosexual activities within the institution.

Mr Runciman: Tying this into the other question of drug use, within institutions there's been some suggestion, perhaps in the United States and I think federally here as well, of providing free hypodermics. Has that been discussed within the ministry?

Dr Humphries: Yes, many times. It goes hand in hand with the bleach. The bleach is a little bit easier decision. The syringes are a very difficult one, I think for safety reasons first: They could be used as a weapon. If you had a syringe with a needle on it—and remember, our correctional officers are not armed—and held it against a correctional officer's carotid, it would be like a loaded handgun. All you'd have to do is jab it in. If you had it loaded with tainted blood, you could almost walk out of the institution. I would be surprised if they ever came in, quite frankly.

Mr Runciman: Bleach is another concern to officers, having bleach thrown in their eyes, that sort of thing. How much of a problem is illicit drug use in the institutions?

Dr Humphries: We can't tell for sure. If we knew, we'd take it away as contraband. We've developed ways of finding it and taking it away and they develop new ways of bringing it in.

Mr Runciman: Are the people on temporary absences and coming in on weekends to serve their sentence a main source of illicit drugs, do you suspect?

Dr Humphries: I don't know about "main"; it would have to be seen as a source.

Mr Runciman: I was reading of a situation in Nova Scotia where the people who are on temporary absences are being intimidated and threatened by other inmates: "When you come back in next weekend, we want you to bring a bag of" whatever. Do you have any system of search and seizure of people coming in to serve a weekend sentence or on an intermittent basis? Is there anything in place within the ministry to deal with it?

Dr Humphries: We do, but I should turn that over.

Mr McKerrell: Where we suspect someone coming in on a Friday night or whenever for their intermittent sentence is under the influence of a drug, we isolate the individual from the rest of the population, and they may indeed spend their whole weekend in isolation away from the rest of the population.

The intermittent situation is something of a concern to my colleagues in all jurisdictions across the country, Nova Scotia included. We've actually discussed a number of times putting forward a proposal to do away with intermittent sentences. Whether it would ever be received, I don't know, but it's sufficient of a problem to us that we've kicked the idea around.

One consideration if you do away with the intermittent sentence where the person's only coming in for two or three days a week is, does that mean the judge would then sentence them to a full term, which would aggravate the pressure problems? We haven't come up with a solution to that one yet.

Mr Runciman: I guess they're using their free condoms to bring these into the facility.

Mr McKerrell: May I just say that the issue of the condoms, as Dr Humphries says, is purely a health issue. In no way is there condonation of sex.

Mr Runciman: Endorse or encourage.

Mr McKerrell: That's right. In fact, we discourage. Our house rules are being redone to indicate that sexual activity is not condoned.

Mr Runciman: Can you lay a charge? Is there a legal recourse?

Mr McKerrell: There isn't a specific charge under the Ministry of Correctional Services Act that says, "If you have sex, you're charged with a misconduct." There's a general category of infraction we could use to cover it. There is no evidence of a lot of sexual activity. There is certainly an amount, but we don't have evidence to indicate that there's a lot of it.

1650

Mr Larry O'Connor (Durham-York): I talked to a constituent who is a corrections officer and would fall under the unclassified category as a part-time worker, knowing that we were going to get together and some of the concerns the auditor pointed to around absenteeism and what not. One of the difficulties my constituent has is having to sign a form every so often saying they're going to be a temporary employee, a part-time employee. Then of course, in keeping with the spirit of some legislation, they're given a notice saying they could be subject to termination, so they've got these clouds hanging over them being an unclassified person.

I don't think that helps absenteeism, but the difficulty they have is that it intimidates them: They're going to have that hanging over them. They are kept on call, or, when possible, they schedule something for them. In the case of my constituent, he's got phone bills that aren't taken into account, when my constituent is phoning in and requesting when the hours might be. These individuals in many cases, because they would like to be full-time and hope this can work into something more full-time, will continue to be as available as possible to the correctional facility in the hope that one day they will get a full-time job. Meanwhile, they live their life around that part-time element, which places a financial burden on them and their families: They have to be available because they don't want to have a black mark that they refused a shift. I would think that would add to some of the problems they have.

I was wondering if there was a way to schedule that would ensure that staff be given some indication of when they might have to work. I don't know whether the ministry is aware that there are problems there. There is a need for qualified people in this unclassified area so you can staff the facilities appropriately, but these people who are staffing would have related problems. Has that been part of your staffing review that is taking place? Is some of that being looked into?

Mr McKerrell: There are couple of aspects to that. First, yes, we are aware of the difficulty unclassified people face when they're on what we call irregularly scheduled; in other words, they may be called at any time. For unclassified, who are essentially full-time staff filling in behind full-time vacancies, that's not an issue, but the ones who are irregularly scheduled, you're right, live by the phone. In fact, some people have even taken on pagers so they're readily available.

One of the factors that's taken into account when people are interviewed as casuals is, "How available are you?" The majority of casuals have some other type of employment and will often tell the correctional institution when they are available. Some people are even able to predict their schedule from their other employment months in advance and provide that to the local institution, which makes it easy for everybody.

In the urban centres like Toronto and so forth, it's particularly difficult for a person to survive on part-time employment, obviously, with the cost of living.

The staffing analysis that has just been completed is one of three pieces of work that have to be done. The actual staffing analysis piece that has been done is to identify whether we have some casuals, unclassified staff, who should be converted to full-time so as to better meet the needs of the institution. Of course, if that were done, we would be reducing the expenditures in the unclassified budget and offsetting it. In fact, the analyses that have been done by Kurt Jensen and a couple of people working with him have shown us where we could actually save some money doing some of these conversions.

It's a three-part process. The staffing analysis is one bit. It says, given all the operational parameters you currently have, all the factors of the collective agreement and what have you, do you have the number of staff you need? The next piece is the post analysis to make sure that every post we have is in fact required. In our cost cutting, we want to make very sure that all of the posts are required. There's a phenomenon we refer to in the business as post creep: You deploy a person, and before you know it, it's become a post. We want to make sure all the posts are in fact required.

The third aspect is the efficiency of the schedules. All the schedules we have in place in all our 50 institutions

are negotiated locally with the bargaining unit and management. Frankly, I think some are more efficient than others. We're looking into trying to get some software that will evaluate the efficiency of schedules so we can run all our schedules through that and see whether there can be some variations to make them more efficient. If any of you deal with shift schedules, you're probably well aware that the most efficient schedule in the world nobody would ever want to work because they would never get weekends off and so on and so forth, so you would never get agreement with your bargaining unit, but there's a happy medium.

We want to make sure that all our schedules are efficient and all our posts are required and that we have the right balance between classified and unclassified staff. That should go some way towards addressing your constituent's concerns.

Mr Mills: I have a number of questions, but in keeping with the time of the day, I'm going to ask one that hopefully will get a brief answer. We hear and read that judicial system constantly has people serving sentences on weekends. That seems to be the way of the world these days. It seems to me that this would put tremendous pressure on corrections in terms of staffing. Perhaps in a few minutes you could elaborate on those concerns of what happens.

Mr McKerrell: Each of the jails and detention centres in the province is subject to having intermittent offenders arrive at some point during the week—most of them on the weekend, but not necessarily; it depends on what the judge prescribes. It does create a burden, a demand, and the most notable example of that is at Mimico Correctional Centre, where we have some 300 people reporting on a weekend.

A range of measures are taken into account to address these intermittent situations all across the province. We have a number of contracts in place in some institutions in the province to provide training and public works and so on and so forth, under supervision in the community as opposed to simply keeping the people locked up.

Mr Callahan: Can I have a supplementary?

The Vice-Chair: Mr Callahan, you do try the patience of the Chair, but I'm sure it's a very valid supplementary and very brief.

Mr Callahan: You speak of concerns about the intermittent on weekends, but I would think you'd have the same difficulties if you have temporary absences, because they're going out to work in the morning and coming back at night; instead of having it concentrated at one point you've got it throughout the week.

One of the criticisms of temporary absence versus intermittent on weekends is that sometimes by the time the temporary absence pass is granted, the guy's lost his job. In this day and age of job significance, that creates a problem. Or, in the alternative, the superintendent decides they're not going to let this person out even though the judge has said, "Let them out."

Mr McKerrell: On the issue of employment and temporary absence, most of our people on temporary absence attending employment are in community resource centres as opposed to going back and forth from the institution to the job. There's some of that, but we use the community resource centres primarily for that.

With respect to processing people quickly on temporary absence, if the judge orders a person for immediate temporary absence—and the judiciary is well aware of these procedures—we make the commitment to have the individual out within 24 hours unless, when the brief check is done on CPIC and so forth, there is some good reason to keep the person back.

Essentially, if a judge orders an immediate temporary absence so the person can go to work, all we do is make a check with the employer to make sure the job is there, because people before the court don't always tell the truth. We make sure the job is there and then we make sure the person has no charges that would give us any concern, and then the person can go.

When it's not an immediate temporary absence, we still try to expedite the matter as much as we can, but we do the full check, which, depending on how quickly the person gets the supportive information in, could take a week or two weeks.

Of course, if it's an issue that the person's about to lose his or her job—from my own experience as a classification counsellor donkey's years ago, they make that clear to you pretty quickly—we can take some steps. I've called employers myself to indicate that we would like to do everything we can to help get the person out if everything meets, and can we cooperate with the employer and can they help us and so on and so forth, and it usually works out.

The Vice-Chair: Thank you, Mr McKerrell.

After we adjourn this evening, I'd like to ask members if they would stay for a few minutes so we can discuss the agenda for the balance of the week. I'll undertake to the ministry that we will phone you as soon as possible, possibly within the next half-hour, to let you know whether indeed the committee would like to go to a correctional facility or two later this week so we can give you as much advance notice as possible.

Mr Perruzza: I'd be delighted to stay.

The Vice-Chair: Mr Perruzza, of course, will be staying at least till 6, possibly till 7.

Interjections.

The Vice-Chair: You can tell it's the end of the day.

The standing committee on public accounts remains adjourned until tomorrow morning at 10 o'clock.

The committee continued in closed session at 1703.

CONTENTS

Tuesday 25 January 1994

Annual report, Provincial Auditor, 1993: Ministry of the Solicitor General and Correctional Services P-477

STANDING COMMITTEE ON PUBLIC ACCOUNTS

Chair / Président: Cordiano, Joseph (Lawrence L)
*__Vice-Chair / Vice-Présidente:__ Poole, Dianne (Eglinton L)
*Bisson, Gilles (Cochrane South/-Sud ND)
*Callahan, Robert V. (Brampton South/-Sud L)
*Duignan, Noel (Halton North/-Nord ND)
Frankford, Robert (Scarborough East/-Est ND)
Marland, Margaret (Mississauga South/-Sud PC)
*Murphy, Tim (St George-St David L)
*O'Connor, Larry (Durham-York ND)
Owens, Stephen (Scarborough Centre ND)
*Perruzza, Anthony (Downsview ND)
Tilson, David (Dufferin-Peel PC)

**In attendance / présents*

Substitutions present/ Membres remplaçants présents:
Jordan, Leo (Lanark-Renfrew PC) for Mrs Marland
Mills, Gordon (Durham East/-Est ND) for Mr Owens
Offer, Steven (Mississauga North/-Nord L) for Mr Cordiano
Rizzo, Tony (Oakwood ND) for Mr Frankford
Runciman, Robert W. (Leeds-Grenville PC) for Mr Tilson

Also taking part / Autres participants et participantes:
Ministry of the Solicitor General and Correctional Services:
Humphries, Dr Paul, senior medical consultant and manager, clinical services
Jensen, Kurt, manager, analysis and support, correctional services
McKerrell, Neil, assistant deputy minister, correctional services
Noble, Michele, deputy solicitor general and deputy minister
O'Brien, John, regional director, eastern Ontario
Watson, Tom, superintendent, Ontario Correctional Institute
Peters, Erik, Provincial Auditor

Clerk / Greffier: Decker, Todd

Staff / Personnel: Anderson, Anne, research officer, Legislative Research Service

C(2C1)
XC2
-P25



P-25

ISSN 1180-4327

Legislative Assembly of Ontario

Third Session, 35th Parliament

Assemblée législative de l'Ontario

Troisième session, 35e législature

Official Report of Debates (Hansard)

Wednesday 26 January 1994

Journal des débats (Hansard)

Mercredi 26 janvier 1994

Standing committee on public accounts

Comité permanent des comptes publics

University of Toronto

Annual report, Provincial Auditor, 1993

Ministry of the Solicitor General and Correctional Services

Rapport annuel de 1993 Vérificateur provincial

Ministère du Solliciteur général et des Services correctionnels

Chair: Joseph Cordiano
Clerk: Todd Decker

Président : Joseph Cordiano
Greffier : Todd Decker

Published by the Legislative Assembly of Ontario
Director, Hansard Reporting Service: Don Cameron

Publié par l'Assemblée législative de l'Ontario
Directeur, Journal des débats : Don Cameron

Hansard on your computer

Hansard and other documents of the Legislative Assembly can be on your personal computer within hours after each sitting. Sent as part of the television signal on the Ontario parliamentary channel, they are received by a special decoder and converted into data that your PC can store. Using any DOS-based word processing program, you can retrieve the documents and search, print or save them. By using specific fonts and point sizes, you can replicate the formally printed version. For a brochure describing the service, call 416-325-3942.

Index inquiries

Reference to a cumulative index of previous issues may be obtained by calling the Hansard Reporting Service indexing staff at 416-325-7410 or 325-7411.

Subscriptions

Subscription information may be obtained from: Sessional Subscription Service, Publications Ontario, Management Board Secretariat, 50 Grosvenor Street, Toronto, Ontario, M7A 1N8. Phone 416-326-5310, 326-5311 or toll-free 1-800-668-9938.

Le Journal des débats sur votre ordinateur

Le Journal des débats et d'autres documents de l'Assemblée législative pourront paraître sur l'écran de votre ordinateur personnel en quelques heures seulement après la séance. Ces documents, télédiffusés par la Chaîne parlementaire de l'Ontario, sont captés par un décodeur particulier et convertis en données que votre ordinateur pourra stocker. En vous servant de n'importe quel logiciel de traitement de texte basé sur le système d'exploitation à disque (DOS), vous pourrez récupérer les documents et y faire une recherche de mots, les imprimer ou les sauvegarder. L'utilisation de fontes et points de caractères convenables vous permettra reproduire la version imprimée officielle. Pour obtenir une brochure décrivant le service, téléphoner au 416-325-3942.

Renseignements sur l'index

Il existe un index cumulatif des numéros précédents. Les renseignements qu'il contient sont à votre disposition par téléphone auprès des employés de l'index du Journal des débats au 416-325-7410 ou 325-7411.

Abonnements

Pour les abonnements, veuillez prendre contact avec le Service d'abonnement parlementaire, Publications Ontario, Secrétariat du Conseil de gestion, 50 rue Grosvenor, Toronto (Ontario) M7A 1N8. Par téléphone : 416-326-5310, 326-5311 ou, sans frais : 1-800-668-9938.

Hansard Reporting Service, 481 Legislative Building, Toronto, Ontario, M7A 1A2. Phone 416-325-7400. Fax 416-325-7430

STANDING COMMITTEE ON PUBLIC ACCOUNTS

Wednesday 26 January 1994

The committee met at 1018 in room 151.

ANNUAL REPORT, PROVINCIAL AUDITOR, 1993

MINISTRY OF THE SOLICITOR GENERAL AND CORRECTIONAL SERVICES

The Chair (Mr Joseph Cordiano): The public accounts committee will come to order to deal with our agenda this morning. I guess I see a quorum. Some of our colleagues are out in the hall. We've waited long enough, so we'll proceed with this morning's agenda.

Once again, we have the deputy minister and the assistant deputy minister with us. Mr Mills?

Mr Gordon Mills (Durham East): Thank you very much, Mr Chairman. In your absence yesterday, we had quite a large portion of the hearings set aside for opening remarks and I'd just like to lead right in with some comments and questions.

One thing I want to clarify right off the bat is that there were some remarks made yesterday about cooks guarding inmates. The suggestion in the press indicated that somehow we'd run out of correctional guards and cooks were filling in. It wasn't made quite clear yesterday that in fact the cook in question and all cooks in the correctional system get paid extra money in recognition of the fact that they qualify to guard prisoners.

Having visited the most secure prison of all in Canada, in Penetanguishene, I can tell you that it's common practice there for the inmates to prepare the meals under the supervision of a cook. This is general policy in the federal penitentiaries, and I must say from my experience, it's also the policy in military prisons as well. So it's not a precedent-setting idea at all when we have cooks supervising people within the domain of preparing meals.

Having said that and realizing that 83% of all the people who come under the system are free, out on the streets, interacting with society, working and making a meaningful contribution to their lives, that leaves 13% who remain in the system under some form of custody.

In a newspaper I read yesterday, it was suggested that somehow these people lead the life of Riley. It was suggested that we need to get back to a boot camp, paramilitary type of management of these offenders. It was suggested by the leader of the third party, Mike Harris, in some sort of policy statement yesterday, that somehow we've got to get back to some idea where people are accountable, where they don't eat popcorn and watch television all day and they don't get lobster on the weekend. That is an absolutely preposterous suggestion.

My question this morning is to ask the deputy minister or whomever she may designate to give us a rundown on the work programs for the 13% who are actually incarcerated; never mind the 83% who are making a meaningful contribution to society. I'd like the deputy to share with us the work program, the self-sufficiency of the system.

Also, I might comment that the community programs, where people are ordered to perform community work, account each year for $5 billion. That's a lot of money. People say, "These people are having the life of Riley." They contribute to society as well. Maybe I've made a mistake. It's $5 million. I stand corrected. Is it billion?

Mr Neil McKerrell: Billion.

Mr Mills: It's $5 billion that comes out of people serving their sentences in community programs and helping society. Having made that sort of preamble, I'd be very interested to know the work programs to counteract this suggestion that somehow these people are not productive, they're not paying their way. I want to hear about the self-sufficiency of the system.

Ms Michele Noble: I will turn that question to Mr Kurt Jensen, who can speak in great detail to the kinds of programs we have of self-sufficiency in the institutions.

Mr Kurt Jensen: Before I move into self-sufficiencies and industrial programs, I should just mention that in addition to these two types of programs, inmates who live in institutions are responsible for keeping their own living areas clean. So they clean floors and their toilets and all the rest of what it takes to keep the institution clean. They are also assigned to do various maintenance work. They work with maintenance people to do general upkeep on the institution. They're assigned to work with officers outside to keep the grounds looking well. There's a lot of activity involved in running an institution the size of Metro West Detention Centre, which has 670 inmates, so you can imagine those types of programs, as well as working in all institutional kitchens to help prepare food.

With regard to self-sufficiency programs, in fiscal year 1991-92, the ministry produced food which had a value of $964,000, and that represented 21,000 inmate work days. Self-sufficiency programs are spread throughout the province, some to a larger degree and some to a lesser degree. The three main self-sufficiency centres are the Monteith Correctional Centre in northern Ontario, the Rideau Correctional Centre in eastern Ontario and Burtch Correctional Centre in western Ontario.

Perhaps just to give you some sense of what happens at one of these self-sufficiency centres, at the Rideau Correctional Centre the prison farm supplied food for 1,400 inmates over the course of a one-year period. Rideau has about 1,200 acres that surround the institution and it cultivates 300 acres. They have 40 acres of potatoes, 18 acres of sweet corn, five acres of fresh vegetables, and the rest is hay and corn silage products to feed their animal stocks.

On a regular basis, 25 inmates are employed in running the farm program at Rideau. From an animal point of view, they have 150 beef cattle at any one time and they have 150 hogs that they buy as weaner pigs which are subsequently fed up and shipped to market. They also have 24,000 laying hens which produce an average of 10,000 dozen eggs a year.

That's an example of the type of activities that inmates are involved in, in self-sufficiency programs.

We also have quite an extensive program which is run under the umbrella of Trilcor Industries and it's industrial programs within our institutions. We have sales of approximately $6 million a year to various levels of government. We don't produce products for the private sector. We only produce products for government, be it municipal, provincial or federal. Maybe one of the products that you're most familiar with is that all the licence plates on cars are produced at the Millbrook Correctional Centre. All the picnic tables in the parks are produced at the Guelph Correctional Centre. The range of products that we are involved in includes inmate clothing. We provide all the flame-retardant mattresses to old folks' homes in our halfway houses and institutions and some federal institutions throughout the country in some other jurisdictions. We make a range of six or seven different sizes of flame-retardant mattresses and we also make blankets and pillows and park equipment, computer tables, institutional furniture, various canned products resulting from the self-sufficiency program at the Burtch Correctional Centre.

We recently have become involved in a different kind of product for the province of Ontario, and that is to support environmental concerns and green workplace initiatives in Ontario. We're currently responsible for the new experimental composter which is at the Ontario Science Centre, where we pick up wet waste from all our Toronto institutions as well as the Queen's Park cafeteria and two hospitals within Toronto. This is leading-edge technology in North America and perhaps the world. The Mimico Correctional Centre is responsible, as part of its industrial program, for doing the pickup of these products and taking them to the science centre where it's a five-year demonstration project. At the end of the five years that composter will be turned over to us and we'll use it to deal with wet waste from our institutions, to divert those wet wastes from landfill sites.

At the Mimico Correctional Centre we also have an extensive paper recycling and paper shredding centre. We collect waste paper products from a lot of government offices and we divide them into the various sorts of paper that can be recycled and the ones that can't. We shred some of it for animal bedding. We're just negotiating with a number of ministries now to provide them confidential shredding services. We feel that we have a rather secure location for providing confidential shredding services and we provide pickup for that.

We also look after most of the plants in various government buildings throughout the Toronto area. They're grown at the Mimico greenhouse and they're cared for by staff and inmates from the Mimico greenhouse.

In the next couple of weeks, if you look around the Legislature building you will see that all the fluorescent lights will have some modification. We'll take the guts out and they'll have a high-energy reflector put in place with new ballasts and they'll put a two-tube reflector in. The jobbing shop at the Guelph Correctional Centre is going to produce 15,000 of these to do Queen's Park at a cost of $28 a unit as opposed to $36 a unit the government would've had to pay for that product on the open market.

1030

The payback period they anticipate is 18 months to do the replacement of all these, and after that you have a 50% saving in the hydro required to run your fluorescent lights. On a government-wide basis that translates into 350,000 light fixtures that we could possibly end up producing for the government.

The government is looking at a new type of licence plate which the Millbrook Correctional Centre will also undertake to produce. We have an extensive jobbing shop—I've referred to it briefly—at the Guelph Correctional Centre which produces a range of furniture products, bed frames, beds and just about anything you can think of. The most recent is that we were asked to produce some waste containers for the Ministry of Natural Resources, so we went ahead and designed them and we were able to produce those.

Most of the products that we produce for the Ontario government we tender on, just like any other company. The reason we don't go outside of government is that we don't want to intrude on the private sector. We're sensitive to the fact that if it's not for government then it's really not something we want to be involved in. Even last year, with the recession, we managed to maintain our sales at $6 million by expanding the range of products that we produced.

Mr Mills: Thank you very much for those. I'd just like to make another comment that it would seem to me, notwithstanding the fact that 83% have already contributed in the society, notwithstanding the fact that the community progress contribute $5 billion to our society, now we have some figures here that $6 million is contributed by people who are incarcerated in our institutions. I think that, to me, sends a clear message to the taxpayer that contrary to people hanging around eating popcorn and lobster, and all these kinds of outrageous allegations which I see, it's really well run, almost like a corporation. I know that you have another program I would just like to ask you to expand on: Trilcor.

Interjection.

Mr Mills: It's a fact. Let's face it. All this gloom and doom that Harris—come on, it's disgusting to talk about boot camps.

Mr Jensen: I might just make one more comment around Trilcor. Trilcor's really what we call our industrial programs. I did forget to mention one very important program, and that is that we have recently moved to establish a central laundry at the Maplehurst correctional facility which will be able to service all of the institutions in the Golden Horseshoe area. We have the ability to look after six million pounds of laundry per year.

One of the reasons we undertook this was that in many of the institutions in the Toronto area, their laundries were coming up to a point where the typical life for laundry equipment is about 10 years and if you run them at the capacity that we run our institutions it's somewhat less than that so the equipment was deteriorating through-

out the province, and we thought that now was a good time to move into a central laundry.

By doing that, we're able to reduce the water that we use by 50%, which again translates into the amount of discharge we put into the sewers. Our utility costs are only 65% of what they were before, and we've also found that we can use environmentally friendly chemicals to carry out the laundry facilities because it's a much more modern and advanced type of laundry facility. In addition, by having this type of facility we extend the life of our clothing products and linens by almost 50%.

The Chair: Coming out of these programs, an inmate would be qualified when he does leave your institution in that area that he's been working with inside the institution. Is there a program of seeing to it that the inmate would then go out into the community, having learned some of the basic skills that then could be used to seek employment etc in a meaningful way? What are the objectives in the programs that you do have while the inmate is in the institution? How do those lead to the kind of personal skills that are necessary once that inmate leaves the institution?

Mr Jensen: There are really a number of benefits that we hope to derive from it. Obviously, in this time of constraint, cost-avoidance of products is high on our list of things that we would like to accomplish, and we do that. The example of the reflectors for Queen's Park is an example, where the whole government benefits. We also produce canned products at the Burtch Correctional Centre that are sold to other ministries.

You are quite right that inmates involved in these types of programs do learn some skills that they will be able to carry into the community with them. We purposely tried not to go into things that are too high-tech, because with the amount of time that we have inmates in our custody, there isn't the time to teach them very complex skills. However, if you can teach somebody to run a shredding machine, that's something that they can go and do almost anywhere. If you spend six months in the mattress factory at the Mimico Correctional Centre sewing up mattresses, you can probably go to any bedding company and get a job as a sewer. If you get a job at the Guelph Correctional Centre operating the forklift truck or the bender—

The Chair: What you're telling me is generally the inmates have a very low skill level to begin with.

Mr Jensen: Pardon?

The Chair: What you're saying then is that most of the inmates have a very low level of skill or education, for that matter, and that's the kind of population that by and large you're dealing with.

Mr Jensen: That, in a general sense, is true, yes. Educational values tend to be less than the general population and sometimes their skill base is not what it might be. In our industrial programs and self-sufficient programs, we support those with educational programs throughout all of our institutions. We also, in our correctional centres, have industrial officers or trades training instructors who would teach inmates in specific trades areas such as small engine repair or masonry or carpentry and that type of thing. Certainly, if they're there long enough they can actually earn certificates or begin apprenticeships in these types of programs.

Mr Robert V. Callahan (Brampton South): I'm pleased to hear of those programs because I'm old enough to remember a very famous bank robber in the United States called Willie Sutton, who appeared on the Johnny Carson show of the day and actually suggested—and this has probably got to be 30 years ago—that if you want to keep inmates from returning, what you've got to do is you've got to give them something worthwhile to do, teach them something to do so that when they get back out into society, they can be worthwhile citizens.

I'm sorry to hear that the whole program that you've just remarked about is only applicable within the government milieu. I would think you should be out there. There are probably things that can be done at various correctional facilities—I'm sure that all the people you have in there are not without talent—that could be used to open up markets outside of the correctional facility and perhaps even create a stimulus for these people when they get out to start up a small business.

That was one of the things that Willie Sutton suggested, that these people should be making things other than just licence plates; that's a pretty low-skilled operation. In fact, that probably is done to a large degree in a mechanized way—obviously it is. I love it when they do them upside down. I think that's a great opportunity to get back at the people who've incarcerated them. But I would certainly hope that the program would go beyond that.

1040

The problem I have is that in the auditor's report he says, at page 166, "Of the 48 superintendents who responded to our survey"—this was a survey to determine whether the corporate objective of motivating offenders towards personal change was being monitored at the institutional level. You surveyed 50 provincial institutions. I guess the auditors did this survey, didn't you? "Of the 48 superintendents who responded to the survey question asking whether their institutions were effective in positively changing the behaviour of inmates, 29 said that their institutions were either not effective (40%), or that they did not know (20%)."

I find it difficult to understand how you have all this information and yet the people who are on the ground level, the superintendents, have absolutely no way of determining what degree of effectiveness they're having. In addition to that, the auditor says that when they followed up with the five institutions, only one institution could provide them with a report on the recidivism of their offenders.

I would think that would be a key item that any correctional operation would want to know, what rate of recidivism you have. That's certainly an indicator of just how successful you are being in terms of dealing with these people, or I suppose in order to arrive at the best possible program to ensure that what you're doing is not simply warehousing people but that you're sending them back out on the street, hopefully, with the skills that they won't reoffend.

I wonder how you respond to that. You've given us certainly a glimpse of what seems to be very positive, but quite frankly I've never heard of that. I've been around corrections and criminal defence work for 30 years and I've never heard of the things you're talking about. I knew that Guelph agricultural college had nice, rolling hills and farms and all the rest of it; I didn't know about all this other stuff.

Mr Jensen: The Trilcor initiative is a fairly new one, within the last five years, and we really work to expand the range of products and the things that we can do in our industries. Certainly the auditor makes the point that 29 institutional superintendents said they didn't have sufficient work for their clients.

On kind of a daily basis, out of our sentenced population we'd have 2,500 inmates who are actively in work programs, and the other ones would be involved to some degree in cleaning their own living quarters. Where we have the most difficulty is in our remand centres. The programs I described to you, with the exception of working in the kitchen, doing regular grounds maintenance, cleaning cell areas and living quarters and doing general maintenance around the institution, are primarily focused in our correctional centres, which is where our sentenced inmates, who we have for the longest period of time, tend to go.

The auditor is quite right that we do have difficulty in keeping inmates in our large urban remand centres occupied. For instance, the Toronto West Detention Centre has 670 inmates in it and it's hardly got enough grounds for parking. So other than activities involved in keeping the institution clean and looking after those grounds and maintenance and working in the kitchen, there are no industrial programs attached to our remand centres. Our remanded inmates, by the fact that they have not been found guilty of a crime, can't be required to work. What we do require them to do is to keep their own living quarters clean.

Mr Callahan: I want to go to another area. I remember public accounts had corrections before us at an earlier time—and I guess everybody sees it. They see police vans transporting prisoners from Metro West, Metro East, out to Brampton, out to various other facilities.

There was a pilot project in place for video transmission of remands rather than transporting these people constantly back and forth. It seems like an awful waste of money to transport them all the way to the courthouse for them to show up for 30 seconds and say, "My lawyer's not here; I want to put it over till tomorrow." As one person said to me, "Every time you provide for this transportation, you also provide for the opportunity for them to escape." Has anything further been done about this process? I'm not talking about trials; I'm talking about just remands.

Ms Noble: In terms of the pilot project that would have been discussed earlier, that was proceeding. There were discussions that have slowed it down in terms of trying to work out the issues of security, the setting to which the prisoners would be taken for the videotaping session.

The pilot never got established to the point of getting some evaluative information up until this point in time. However, I think the members would be aware of the AG's discussions and the Martin committee recommendations coming out. As a consequence of that, we're in the process of renewed discussions with the Attorney General on the use of videotaping generally around the whole justice system, and the issue of going back and looking at this particular concept as a project is again under discussion.

That's one where there were difficulties in the implementation that slowed it down and we do not have the results. However, it's back up for discussion.

Mr McKerrell: If I could just add one other point on that, as we got down to the nitty-gritty and looking at the details of it, once there was the court decision that limited the legal activities that could be carried out by video conferencing, the numbers of people who would qualify for that type of program were reduced.

So the money saving in using video conferencing is particularly in reducing the transportation of offenders between the institution and the court, as you indicated. The fewer people you can actually handle by that process, the less saving there is. If the police end up having to make as many or almost as many runs with their vehicles to transport the people who do have to go to the court physically, then you have to weigh the amount of money that would be saved versus the amount of money that you would spend to operate video conferencing. In other words, it might not be cost-effective.

Mr Callahan: Have any studies been done to that effect?

Mr McKerrell: Yes. In fact, we are conducting renewed analysis on that right now in one or two different sites. The technology is also improving quite significantly from when we were looking at this three years ago when the pilot was done. The technology has improved, I'm told by the electronics experts, by quantum leaps. The resolution is better. Some of the judges were concerned about the resolution of the image and so forth.

The technology is now much improved and it's now to the point where the Attorney General's ministry and ourselves are again very interested in re-examining the possibility of this. But it really does come down to cost-benefit: Can we get sufficient people done by this method to warrant the capital investment? Because it isn't cheap and there has to be a clear saving.

Mr Callahan: Do you have any information to tell us the cost in a fiscal year of transporting prisoners to the various courts throughout the province versus the cost of establishing, let's say, a video location to beam it? Has there been any cost analysis done in that regard?

1050

Mr McKerrell: I don't have an overall figure for the whole province, but I know that in Toronto, when they were looking at the pilot, the Metro police force does the transportation and they did have a figure as to how much they were spending. Where the pilot operated was between the Toronto Jail, which you're going to see tomorrow—in fact, we can even show you the video conferencing courtroom that was set up there.

Mr Callahan: At the Don jail?

Mr McKerrell: Yes.

Mr Callahan: When was that done?

Mr McKerrell: This is where the pilot was done three years ago, four years ago, whenever.

Mr Callahan: I remember the Don jail study where they were going to close it down.

Mr McKerrell: That part of it is closed. This is in the new wing, the 1955 wing. But we actually built the video court in the basement of the old Don that is closed. It goes between the old building and the old city hall in Toronto, and that's where the experiment was done.

So the Metro police calculated how much money they would save—and frankly, I don't remember now off the top of my head, but they figured out how much they were spending for all the transportation. On a given morning between the Toronto Jail and the old city hall court, they can have six, seven, 10 what they call wagon loads of people going back and forth, and where they save, of course, is if they can reduce that number. But if they're having to have as many vans going back and forth with only fewer people in them, then the saving isn't there.

Mr Callahan: Okay.

Mr McKerrell: So that's what we're looking at.

Mr Callahan: One further item is, we've seen co-op type of activities within the schools being very helpful in terms of creating an understanding between employers and their co-op students, so that they can understand whether they want to hire them or the young student who's a co-op can decide whether that's the type of work he or she wants to go into. Is there anything within the correctional system, either on the ground or being considered, in terms of some type of co-op program for those prisoners who would be acceptable for that type of operation, between that and industry?

Mr McKerrell: Not on any large scale, Mr Callahan, but there have been examples of people who have gone through the industrial training programs that Kurt Jensen spoke to, where people have been placed into job opportunities as a result of the trade instructor liaising with the community. Sometimes, if the person is in long enough in one of these correctional centres and has developed the qualification, the instructor has been able to work out an opportunity in industry for the person, even while they're in the institution, and they would then go back and forth and perhaps go into a community resource centre, as we talked about yesterday. But those are isolated cases at this point in time.

Just to pick up on what Kurt was saying about Trilcor and your point about moving into the community with it, other correctional jurisdictions do in fact sell products to the community. In the United Kingdom they do it, in the English prison system and in the Scottish prison system, and they have worked out agreements with the unions on sort of a quota system. In this country, the federal government has an industrial program which is called CorCan. I don't want to tout their products or anything, but they have this program.

Now in Ontario, our production has been strictly in-house, as has been indicated, at this point in time. We decided to get into this Trilcor, which stands for Trillium Correctional Industries—that's what it stands for—about three or four years ago, and we wanted to get a logo for our products and really make an effort here because, as you've pointed out, there are some benefits here in teaching people trades and offsetting the cost of government, and if we can get things to the point where we're proud of the product, why not talk about it? So we wanted to make sure, before we get too ambitious, that we had good products and that quality control was essentially assured, and that takes a bit of time to get to that point.

Mr Callahan: This co-op program would seem to me to make sense, because the majority of your correctional facilities are located certainly within the greater Toronto area, are located quite close to factories and so on. I'm thinking of Mimico; it's right in an industrial basin. Maplehurst, I guess, is not that centrally located but it's certainly close enough to opportunities. Metro West, Metro East are in industrial areas.

Mr McKerrell: Metro West and Metro East are detention centres, so they don't have the physical capability to operate those programs within the secure perimeter, but you're right that the majority of our correctional centres are in southern Ontario with the exception of the one in Thunder Bay and the one in Monteith.

Mr Callahan: It might be worthwhile for the government to look at attempting to negotiate arrangements with industries within the perimeter of those correctional facilities that are housing prisoners serving their terms, to get them to take them on either a cooperative basis or some other program. I think the most serious problem, as I rate them anyway, is that number one, we've got mental patients, people with mental disabilities, and 15% I think was the figure, in our correctional systems who shouldn't be there. All we've done is we've traded off the institutions and taken a great pat on the back, and at the same time we've been dragging them back into the correctional system. They should be out of there. There should be some alternative to that.

The other side of the coin is that I think the public wants to be sure that when these people serve their sentences, that when it's over, they're going to not return. I know that may be dreaming in Technicolor in all cases, but certainly we should be striving towards achieving that end as best we can.

The Chair: Mr Callahan, there are a few minutes left, and Mr Murphy asked to ask a question, if possible.

Mr Callahan: Okay, but those I would certainly urge the ministry to do.

Mr Tim Murphy (St George-St David): In the short time left, I'm going to ask some specific questions.

The Chair: Perhaps one.

Mr Murphy: It's quite short.

What percentage of people in provincial centres are people who are in there because of non-payment of fines?

Mr McKerrell: I can't give a precise figure off the top of my head, but I can tell you there are two categories under that general heading. There are people who

would be in the institution solely for the non-payment of fines, and that is a very, very small percentage.

What does happen frequently is that when people are incarcerated, either awaiting trial or in fact serving another sentence, they know that they have outstanding fines in other jurisdictions or maybe even in the same jurisdiction in which they're at that point residing. They can ask to have those warrants executed on them and that's done often, and then people are actually working off the fines while they are either on remand or serving the other sentence. I've seen people with rafts of fines all being executed.

Mr Murphy: If you have actual figures, if you could provide that to me. You don't need to do that right now.

The other quick question, if I have time, is how you calculate time. I did some part-time prosecuting work prior to my being a member and one of the unfortunate examples that I had was where the judge sentenced someone to five days on a Friday. Because of the way the system works, they only serve essentially two days of that sentence, which means they would have been out on a Sunday. They can't let them out on a Sunday, so the person actually beat the police officer out of the jail, because they get released right away. The person basically got processed in, processed out and was done. Does that person's time count as part of your count or do they have to actually be in the jail, or would that count as a one-day sentence for the purposes of your statistics?

Mr McKerrell: It would count as an admission, yes.

Mr Murphy: Would you count the sentence of five days or the 10 minutes or the two days?

Mr McKerrell: The actual time in the institution, one day.

Mr Murphy: So do you have any idea how many people fit in that kind of category?

Mr McKerrell: No, frankly.

Mr Murphy: Because the other thing that happens is, people go in on the Friday at 6, come out on the Monday and that counts as three days. Friday, Saturday, Sunday, Monday. That's right; four days, yes.

Mr Murphy: To a certain extent, that's going to skewer your statistics a little bit. Do you know to what extent you count, then, full-day admission numbers that are in fact full-day admission numbers?

Mr McKerrell: Do we have a track of the number of one-day-only admissions?

Interjection.

Mr McKerrell: One to five would be the smallest increment that we would show.

Mr Murphy: So you really don't know.

Mr McKerrell: No, not at this point.

Ms Noble: I think just in terms of going back to the statistics we were using yesterday when we were using average days stay, that would be the average days that we are counting them that they're in the system, that would not be the average sentence.

Mr Murphy: No, but it would count as part of that. This person who was in for 10 minutes would count as a day and a person who was serving on weekends would count as four days, although they were there 60 hours.

Ms Noble: That's correct. I was trying to clarify the point that what we'd be counting are the days they're in the institutions and that would not reflect the average sentence that was being given to these individuals.

Mr Leo Jordan (Lanark-Renfrew): I'd like to go back to the report you just gave us on the agricultural aspect of the centre at Rideau. I understand that we went through this all a number of years ago, had the same type of operation and then it was discarded completely at an auction sale and so on. Why was that?

Mr McKerrell: The farming programs were closed down essentially a number of years ago. I don't really know, and there's nobody around now who would be in a position to, because that was quite a long time ago.

Mr Jordan: I guess what I'm concerned about is, are we going to cycle again, or is it proving to be—

Mr McKerrell: I think what we find is that if we concentrate the farming in the places where we can make it most efficient, then it's worthwhile, the capital investment, and that's exactly what we're doing by concentrating the farming in the areas where it is most efficient rather than having too many of them. So at Rideau, the ground is good and there are certain products that do very well there, and we're going to concentrate on that. Similarly, with Burtch and Monteith in the north and even Thunder Bay, there are certain things that we can do well in those places, and if we concentrate on that then it is cost-effective, but if we try to get into full-range farming for the sake of it, then it's not cost-effective. So we're limiting what we're doing in different places according to what's most economically viable.

Mr Jordan: Are these people who are trained in, say, dairy farming eligible to go out and do work in the community for neighbouring dairy farms? Can they be hired out by the surrounding dairy operations?

Mr McKerrell: Yes. It's not uncommon for people to go to the institution and say, "I would like to provide a work opportunity for someone." It would be looked at, and as long as the administration of the institution didn't feel it was exploitive, because you want to make sure that somebody isn't looking for cheap labour sort of thing, as long as it's a genuine opportunity and the institution has someone who could benefit from it, then yes, they would be matched up.

1100

Mr Jordan: Are we doing that?

Mr McKerrell: In some cases, yes. It's not a large program by any means, but there are examples of it.

Mr Jordan: The Rideau Regional Centre has about 400 acres of land. They used to do a lot of farming there, but I don't believe it's being used now.

Mr McKerrell: I don't know. That's the Ministry of Health, Rideau regional.

Mr Jordan: Is it not part of your—

Ms Noble: You're referring to the correctional centre?

Mr Jordan: Yes.

Ms Noble: There are also facilities up there that the

Ministry of Community and Social Services has.

Mr Jordan: You don't intervene at all in that?

Ms Noble: That's not part of our operation, no.

Mr Jordan: I was wondering if you could lease that land, or use it, because it's all government land and it's good farm land and it's very close to the Rideau correctional centre.

Mr McKerrell: Actually, I don't know where it is physically myself, that one. I know where ours is. I don't know where the other one is. Is it in the same general vicinity?

Mr Jordan: Yes.

Mr McKerrell: That might be something we can look at.

Ms Noble: I think we'll take that as a suggestion and we can look at our capacity to make productive use and then based on that we could definitely pursue it and talk about it with them.

Mr Jordan: There used to be a very active farm operation there.

Mr McKerrell: In fact, since the eastern regional director is sitting at the other end of the table—

Mr Jordan: He probably knows this.

Mr John O'Brien: I do. I'm relatively new to the area, but I do know it. It's a good suggestion and I agree we should pursue it.

Mr Jordan: Thank you. I would like to move to Dr Humphries, I believe, for the Dr Calzavara report. I understand the study collected over 12,00 urine samples in 43 jails and detention centres.

Dr Paul Humphries: Yes, that's correct.

Mr Jordan: I guess my first question is, why were none collected in the correction centres?

Dr Humphries: This study was done by Dr Liviana Calzavara from the department of epidemiology and biostatistics with the University of Toronto. They approached our ministry a little over two years ago with this proposal. It was to be done for research purposes and bring information to light. Approximately a year ago we undertook the project. It was funded by National Health and Welfare. The provincial lab for the Ministry of Health did the testing and our staff collected the urine samples.

For each individual who comes into our institutions, as part of their clinical examination, we take urine for medical reasons, and there's always some left over, so it was felt this could be a very useful means of determining the incidence.

Coming right to your question, the reason for jails and detention centres, and not correctional centres, is the possibility that they could move out from the jails and detention centres into the CRCs before the research would be completed, because it took us close to a year to do that. Maybe six months of collecting is the best way of doing it. We would run into the problem of possibly testing the same person twice, so it would skew the statistics. By doing only jail and detention centres, it kept it very proper.

Mr Jordan: I understand that there is in fact a testing method for HIV available that they're using in Japan that's more or less instantaneous and you don't have this waiting period.

Dr Humphries: I'm sorry; it's my fault, Mr Jordan. That isn't the issue we were worried about. It was the fact that the individual would come into Toronto West Detention Centre and his urine at time of admission would be used. But if we did the CCs as well, two or three weeks later, he might be transferred to the Guelph CC and his urine sample would be collected a second time. So we might be counting the same person twice.

By limiting it totally to the jail and detention centres, there was no chance of that except for recidivism, and recidivism was concerned in the overall statistics.

Mr Jordan: The purpose of my question was to try and identify the inmates who had HIV. To me it's very important for the protection of the staff and so on. All the means available to you, it seems to me, were not used to try and identify these people. We're leaving the staff in a sort of hazardous—

Dr Humphries: Yes, I follow your line of questioning now. The intention of this study was not in any way to identify who were the individuals who were HIV-positive. This was an epidemiological study to give us overall statistics of how many people within the system, percentagewise, had it. It was a totally anonymous study. Of the 12,000 samples, approximately 1,000 of them were destroyed to ensure the anonymity. Names were not involved. It was done on men, women, young offenders.

1110

That was one of the big issues we had to take through the ethics committee with the University of Toronto. We had to go through that committee twice before it was approved to do it. But what we did do was we put up signs in the health care areas indicating that the leftover urine samples may be used for research purposes. We put it up in the different dialects as well. But that was a totally anonymous one.

There were also instructions given that anybody who wished to have a blood test done to determine whether he or she had HIV or not could certainly request that and discuss it with the health care people. But that's an ongoing policy of our ministry. If we think somebody, because of lifestyle, should be tested, we will recommend that they be tested. If, for clinical reasons, we believe that they should be tested, we will recommend that they be tested, but they can refuse. On the other hand, if they come to us and request a test, we've never refused it, and it's free.

The Chair: I thought I heard that you were able to test inmates with urine samples for HIV?

Dr Humphries: That's correct, and that was the nature of this study; 12,000 samples were collected.

The Chair: Is that a new development? This is just for my own edification. You can test for HIV through a urine sample?

Dr Humphries: Yes, it is new. It doesn't suggest per se that the virus is present in the urine. It may be, to a small extent, but the products that are in the urine will be

picked up by this test. The researchers in the AIDS community indicate that they feel it's as accurate as the ELISA test, which is used regularly at the provincial lab. In addition, there's another new one out now where they can do it on saliva, and one of the new tests that they're proposing for our ministry suggests that as well.

Mr Jordan: I feel, though, that we're sort of blocking an opportunity to identify the virus in those people whom the guards and other staff are going to be dealing with. I wonder why you're doing that, why you're not more concerned about identifying. You seem to be giving me reasons why you're not going to do it.

Dr Humphries: Number one, one of the proposals which is presently on the table from the University of Toronto would involve the correctional centres, as well as possibly Correctional Service Canada, but those negotiations have not begun, and I won't make any commitments on that behalf. But this proposal would involve our correctional centres, for sure.

Still it comes back to the question yesterday about mandatory testing. It's the same idea. Again, we have to worry about the windows there, as I mentioned, plus the legality, but we don't even try to work through the legality because the windows would create problems for us. We know that even if a person is positive, he or she may not show positivity for six weeks to six months after becoming infected, and if the stay is less than 80 days, if we start doing all of these tests and none of the—

Mr Jordan: Excuse me, but are you familiar with this new method of testing that they're using in Japan?

Dr Humphries: I've heard of it. I am not sufficiently knowledgeable to comment on its effectiveness for us right now.

Mr Jordan: Are you, as an employee of the ministry, interested in looking into that so that you might have almost immediate identification of the virus?

Dr Humphries: Yes, absolutely. I do my best to stay up to date in this area, but we're still dealing with the windows until something comes up that will give us a better immediate response.

Mr Jordan: When will that report be made available?

Dr Humphries: The initial results have already been reported. The final report was to be prepared early in January, and the last we heard would be the end of January. I last talked with Dr Calzavara just before Christmas, so I assume it's very close to coming out.

Mr Jordan: I understand there were two further studies.

Dr Humphries: There are two further proposals to us.

One is what they call a KAB study, and that's knowledge, attitude and behaviours. That would again take in a very large group of people to determine how much they know, what they don't know, what are the fears, what are the wishes, that kind of thing.

The second one would be to determine the conversion rate within the correctional system. That would involve picking up a person when they first come in, and here the individual would be known. It would require his ethical approval, and the people with longer stays would then be followed. That's what I mentioned, that when they went into the correctional centres they would be followed. We would probably do testing at three months, six months, nine months, 12 months etc. It could also involve following them into the federal system, if the federal system agrees. That's to determine how many people convert while in the institutions.

What is fascinating is that our original study, the one that you have a copy of, showed that among our male population, 0.99% were HIV-positive. At Joyceville, at approximately the same time that our study was being done, Dr Ford there did a study for a two-day period. This was worked out with the inmate committees, and I believe they used blood tests on that one; I won't say that for sure. Their tests came out about 1%.

It's fascinating that the people we admit, malewise, it is 0.99%; our females were 1.23%, but our males were 0.99%. Here, later, inmates in a federal system in an institution showed a 1%. So we're not sure whether there really is very much conversion that occurs, but we can't take our big 12,000 samples and say that's relevant to the one institution that was studied by them.

Mr Jordan: I understand the study did a breakdown by region. Why not by individual facility?

Dr Humphries: In fact each institution, there is information on those. Remember, we were looking for an overall prevalence and we were interested in male-female and young offenders. We weren't per se zeroing right in on the Toronto Jail or Toronto West. We wanted an overview. But now that we have the overview, any kind of spinoffs could come off that—there's still a lot of information on the computers—or additional research could be done in that regard.

But we had to start, first of all, with a study that wasn't biased. In other words, if you went to the Toronto Jail, with the transient population through there and the drug users and the kind of population, we might have got a higher percentage there, but it would not be reflective of the whole province. So we had to start with what we would consider as an unbiased study and then maybe zero in on pressure points.

Mr Jordan: Are you being pressured at all by the Ministry of Health to become more active in pursuing a better solution to this problem?

Dr Humphries: Absolutely. Dr Richard Schabas, the chief medical officer of Ontario, is a good friend of mine, as well as Dr Jay Browne, who is the AIDS coordinator for the Ministry of Health. We are all good friends.

They would like us to do more and they say that quite actively. We talk about it. We've set up an interministerial committee which has Health on it, ourselves, Comsoc, the Ministry of Education and Training. We've issued invitations to the Attorney General and to the native groups, the secretariat, and the racial secretariat.

We're just at this point pulling all these pieces together. We have a number of meetings. We meet about every six weeks, as an approximation. The chairman of the committee is Celia Denov from the Ministry of Health. She's an executive director there. We talk about these things, as I say, at least every six weeks to deter-

mine what they would like us to do and what we think is possible.

1120

Mr Jordan: Is it because of the cost that you foresee if you were to identify these people, the extra cost that would be there, and you just can't face it?

Dr Humphries: Not per se. As I say, the study that we already completed was paid for totally by National Health and Welfare, plus the assistance that we got from the provincial lab, and our contribution was really the time of our nursing staff. So that was not a major issue.

Mr Jordan: If you were to identify the cases that were in the correctional centres, what would you project the cost to be of dealing with them in protection of guards and other staff and so on?

Dr Humphries: As I mentioned, we use the Universal Precautions approach, so other than the cost of medications, many of which are provided by the Ministry of Health, these are not per se costs that are affecting us or making significant problems for us.

Certainly if we were able to go in the ideal solution, we would probably want to go with specialized areas where we could work with their individual problems, and we would probably want stepping stones back into the communities. There are a number of ways of doing that in outreach projects, but I certainly wouldn't expect that to occur at this time or in the near future because of the funding situation.

Mr Jordan: Is part of the reason for your staffing up to almost a one-to-one basis for staff relative to the inmates your way of trying to guard against what could be a high ratio of HIV in the correctional centres?

Dr Humphries: No, I wouldn't say that. Remember, our statistics show 0.99%, less than 1%, of our population. You heard me say the other day that 6.7% of our population have a very serious and significant mental health problem. You're getting into your paranoid schizophrenics and things like that. That would probably put more demands upon our staffing approaches. We do not find the HIV people difficult to handle or controversial or things like that.

Mr Jordan: But they could have a combination of—

Dr Humphries: Absolutely.

Mr Jordan: And you're not solving it; you're just compressing it or keeping it under control sort of thing.

Dr Humphries: As I say, we brought in these new communicable-disease policies to make it as humane and workable as possible. We've trained all of our staff twice.

Mr Jordan: If you had money, what would you do? How would you go about it if the money was available?

The Chair: Mr Jordan, if I may just interrupt, we've run a little over the time. Perhaps you could ask that question in the next round. I'll turn to Mr Mills, who has 10 minutes.

Mr Mills: Thank you very much, Mr Chair. I know that the thrust of the auditor's report was managing and controlling costs, and I'm going to get to that, but first of all I'm going to have a little preamble.

Yesterday you weren't in the chair and I attempted to arrange the way this would go in so far as the questions to particular aspects of our ministry in the hope of better managing and cost-controlling the staff that are here. That wasn't agreed to by the committee. As a result, we have questions that are being jumped all over the place.

I'm bringing this up because it was brought to my attention by a member of this committee other than a government member that the reason the staff are here from the ministry is because we have to be prepared; we never know what question is going to come up. So that answers the question. I attempted to manage that, but the committee members did not agree to that.

Having said that, I'd like to get on to the managing and controlling costs, which is really the thrust—

Mr Murphy: Do you want our questions written out beforehand?

Interjections.

The Chair: Order, please. If I may just comment on that, I wasn't here but I would like to say that in each of the previous instances where we have had ministry officials here, we've tried to maximize the use of our time and the use of their time.We're sensitive to the fact that there are lot of people who come before the committee within a ministry.

But in any case, the committee is only having its deliberations heard this week, and after that you're free to go. So you'll bear with us. Questions are wide-ranging, and it's difficult to manage that at the best of times.

Mr Mills: I agree with you. The only reason I bring it up is because some criticism was directed to me by a member of another party. Having said that, let's move on.

Mr Callahan: Not me.

Mr Mills: No, it wasn't you.

Managing and controlling costs, which seems to me to be the thrust of the auditor's report—and I want to get into that cost relationship here this morning, which is a lot of the substance of the report: Why does it cost so much? First of all, I've got a few questions to ask about this.

I'd like to get some input about the implementation of the Young Offenders Act and how that affected this cost. Then after we've had some answer to that, I've got a couple more questions I want to ask along that vein.

Ms Noble: I think we've anticipated that there would be committee interest in the subject of the impact of the Young Offenders Act on the ministry because it was raised in the auditor's report. We have prepared some background to go into more depth in terms of some of the more specific information around exactly what were the kinds of impacts on the system brought in by the legislation that resulted in the increase in staffing.

In general, I think one of the most telling issues was the need to keep the young offenders separate and apart from the adult offenders in our institutional system, and I think a lot of the impacts flowed from that.

What I'd like to do is ask Mr Don Page to comment specifically in more detail.

Mr Don Page: My name is Don Page. I'm the regional director for the western region for the ministry.

As the Provincial Auditor noted, between April 1, 1985, and March 31, 1988, the ministry increased its staff by some 915 positions in order to provide service to clients referred under the YOA.

I think, first of all, it should be noted that some 500 of those staff were directly transferred from the Ministry of Community and Social Services when responsibility for the four secure custody facilities was delegated to our ministry. Those people were in fact already provincial government employees working for another ministry and when the four training schools, as they were called in those days—youth centres, as they are now—were transferred to our ministry for the 16- and 17-year-old young offenders, the staff came with them.

The remaining 400-plus staff were added to meet the requirements that are stated in both the declaration of principles of the Young Offenders Act and the amendments to the Ministry of Correctional Services Act to provide rights in custody for young offenders.

The federal Young Offenders Act is unique legislation in that it actually had a declaration of principles, which said how the act was to be administered and within that declaration of principles was the necessity for people administering the act to be aware of the special needs of young people.

It says, "because of their state of dependency and level of development and maturity, they also have special needs and require guidance and assistance." The declaration of principles also requires that people administering the act should make sure that the rights and freedoms of young offenders were guaranteed and that parents would have a specific responsibility with the ministry in carrying out any sanctions that were applied.

What this meant, basically, was that there was a whole new process of dealing with the 16- and 17-year-olds in custody who now became young offenders. As the deputy has said, the very first one was to keep them separate and apart from the adult inmates, so we had to set up separate facilities in some of our institutions with separate staffing in order to do that. We had to ensure they had rights in custody in regard to visiting, mail, religious instruction, recreation, and a variety of other things like that, which were different from the adult requirements.

We were required to establish a plan of care for each young person and to provide case management techniques to work this person through the system. We're also required to be involved in a review process, which is court-directed but which requires us to return young offenders to court at certain specific times during the course of their sentence for a review by the court. This requires not only preparing documentation but actually transporting the young offenders from their place of custody to the courts.

1130

There was both a necessity under the requirements of the act and also a willingness on the part of the administrators to give these special services to young offenders and to invest what we could at that point in their development in the hope that we could have some impact on their future actions. Of the 915 positions 500 came from other ministries and 400 were added in order to provide separate, apart facilities and also to provide the special services.

Mr Mills: Thank you. Through you, Mr Chair—pardon?

The Chair: I have Ms Akande on the list as well. Can she ask a question?

Mr Mills: How much time have we got?

The Chair: You have about four minutes left.

Mr Mills: Hopefully, this is very quick, but I think it's very pertinent. We've had the cost control, the per diem compared with other provinces vis-à-vis Alberta, that ours are higher, so maybe you can answer this quickly. Have you done any research into what effect the Young Offenders Act had on the other provinces? Were they lighter, heavier or what?

Mr Page: There have been, and continues to be, regular meetings of people responsible for the administration of the Young Offenders Act in each province. They meet regularly with the federal government. All provinces have had increased costs as a result of the Young Offenders Act, some more than others. In Ontario, when the Young Offenders Act was introduced, our adult age was 16. In other provinces, the age was 18, and they already provided services for the 16- and 17-—

Mr Mills: If I can stop you there, it would appear to me that we have a bigger load than any other province of young offenders.

Mr Page: We certainly do.

Ms Zanana L. Akande (St Andrew-St Patrick): You've already recognized that the reason for the Young Offenders Act was a recognition that there were different needs for the youth, different from what was expected and required for adults, so there was a separation.

You've told me where the 500 staff came from and you said that 400 were added. Certainly if there is a separation from an adult facility into one that is specifically for young offenders, there's also a loss of jobs from the adult facility. It is my understanding that many of the 400 who were added to the young offenders facility came in fact directly from adult facilities.

Mr Page: Yes, when we increased the staff, the positions were posted for competition, people would apply and obviously some of the staff in adult facilities were successful in those competitions.

Ms Akande: Thank you. Then how did you accommodate or plan for or achieve the attitudinal change that would be necessary if the staff were now to deal with young offenders with an attitude, a perspective, that is different from what they had been accustomed to in dealing with the adults?

Mr Page: That's an excellent question and one that we did certainly wrestle with in 1985 as we were launching into the delivery of young offender services. We had very extensive training programs in each site as staff came on. Initially, we had to rush into a few sites, but for most of them, we had the time to actually get the site prepared, have the staff in there and some time—two, three, sometimes a month—before we actually received

the young offenders. So we could have some very intensive training programs.

Ms Akande: Yet the training—

The Chair: Thank you, Ms Akande.

Ms Akande: Could I indulge this group, please?

Mr Murphy: Absolutely.

Ms Akande: Thank you very much. Yet the training and the ministry's attempts to achieve that kind of change with those 400 was in fact the subject in part of a report that was done by Joanne Campbell, in that it was not quite achieved and that there was in fact real similarity found in the way many of the staff dealt with the adults and the way they were dealing with the young offenders. Am I not correct?

Mr Page: I believe that is so, yes.

Ms Akande: Has there been a change since, or an attempt to create a difference since?

Ms Noble: Perhaps to just pick up on that, obviously when the Campbell report was done it was taken very seriously in the organization, and the ministry also then worked with the advocate, who is part of the Ministry of Community and Social Services, in doing follow-up work within our young offenders system in terms of how we had managed to make and implement further changes following the recommendations in Joanne Campbell's report.

I think it's fair to say that in my most recent discussion with the advocate's office it is seeing change in the system and it is very definitely working very closely with us in trying to implement those changes. In the standalone institutions, it was not really where the focus of the problem was; it was where the units are still part of the adult institutions.

What we're finding is that we are very genuinely making progress, and I think what the advocate is most pleased with is the management support that she's receiving from the superintendents in those institutions now in dealing with some of the issues. I think there has definitely been change positively instigated by the Campbell report.

Mr Murphy: I'm sorry if I bounce around, but I'm going to start with the Provincial Auditor's comments relating to the two corporate objectives of the department and I'm going to deal with the motivating offenders one as opposed to the security issue.

Most people, I think, would look at the corrections system and say—we touched on this yesterday—there are those two purposes. One is to send a message of deterrence to others and presumably to the individual incarcerated, the other of rehabilitation, those combined messages, so that the person doesn't return to the system.

The auditor points out that there seems to be a great deal of doubt about recidivism as a good indicator of the success of that message, at least in the provincial system. Some of the superintendents themselves don't think it's useful, and you've indicated some of the reasons why, everything from a short stay to lots of remand. A third of your population is remand. But I'm wondering, how can you decide if you're achieving this objective?

Ms Noble: I think in fact the auditor has raised the point and was basically raising with the ministry the issue of the objective setting. You need to think about your statements of objectives, and in doing so, you need to think about what indicators you are going to use in order to be monitoring and measuring the achievement of the objectives.

I think the ministry in its response was identifying the fact that we were in the process of looking at the language of our objectives, and in saying that we're looking at it, I'm not trying to suggest to the committee that we would want to be substantively changing our commitment to providing opportunities for personal change. I think it's a question of taking that kind of language and finding the most appropriate way to talk about that as an objective for our system, recognizing some of the factors we've been talking about.

On the issue of measurement, I think the issue that the auditor has raised is that we do not have the statistics being kept on the recidivism in a cohesive way which would allow us to measure it. In our response we indicated that there has been redevelopment of the computer system that the ministry uses.

The primary and the most critical element of the development of that system was in fact to allow us to use it for tracking the individual inmates as they move through the system. As an operational necessity, it was of the first priority. Consequently, the resources and time at the front end of the development were devoted to that.

As a consequence, having in place the ability to extract the kind of statistics on recidivism that we were looking for had not and, at this point, has not yet been achieved. However, work is being done. It was started during the period of the audit and is continuing. We're looking forward to having some results over the next three to four months in terms of beginning work now on the ability to extract that kind of information which will allow us to monitor.

1140

I think the answer to the issue which is being raised is an acknowledgement by the ministry that we have not had that capacity in place. We are working to ensure that it is there. The reason that it hasn't been is that in terms of a priority for development of the system, that first priority had to be the tracking of the inmates for operational purposes.

Mr Murphy: Obviously, you've said you're in the process of developing statistics to give you some sense of what the recidivism rates are, but I saw the Provincial Auditor reflect some doubt that this is an effective indicator, at least with respect to provincial institutions. Do you agree with that assessment?

Ms Noble: I think what we would say is that we shouldn't be using it as the only indicator. What we're acknowledging is that if we set the objective in language of rehabilitation in the system that we're talking about, we're not situated the same as the federal system in terms of the length of time they have to work with the inmates. Therefore, as part of our discussion, as part of our strategic planning, we're looking at that language, we're

looking at the statement. I think what all of us here have variously stated is a recognition that we do have a role to play in providing opportunities for change, providing supportive environments, providing work experience, the kind of thing we were talking about this morning.

We need a way to capture that in terms of the commitment to the inmate population, and then I think what we need to do is look at not just recidivism. We may want to look at other statistics in terms of just looking at participation in programs, monitoring the number of inmates who, in spite of short stays, actually proceed from programs started within the institutions into those programs outside. But that's a discussion that has to flow from the work we're doing in the strategic planning area.

Mr Murphy: You'll forgive a bit of a speech, but I guess my problem is, when you have a clear absence of an ability to say that—I mean, most people would look at the corrections system and say it works if the people who go into it don't come back into it. The message is sent and they no longer commit a crime again. Sort of generic public understanding of an effective system would be that they go in once and they ain't ever coming back.

In the absence of an ability to tell people that on any coherent measure, either because of the absence of statistics or because the statistics may not be able to tell you that message, the other sort of simple understanding of corrections—and not simple in an insulting sense but in an easy-to-understand one—is that you're sending a punishment message; you punish people.

I think what has resulted, at least in part, or has caused in part the desire for greater punishment in dealing with crime in our society is that we have a complete inability to communicate to people that the system has the effect of preventing people from coming back into the system. So they say, "If you can't tell me that, and crime's going up, I want to punish them harder."

I think that's what drives the desire that we saw responded to yesterday by the Conservative Party in saying, "Let's whack them with harder sentences; let's do this." I'm wondering how you as a corrections ministry tell people—or maybe you can't tell people—whether the system prevents people from coming back to it.

Can you tell people that it does that, or can you say on a scale of one to 10 how successful it is at getting people to not come back into the system, so that you don't see them again, so that they've learned their lesson or whatever sort of simple language concept we can understand about the system working? Can you tell people that, the people viewing on television or the people who want to know? Can you say the system stops people from coming back?

Ms Noble: I think if you take the question at the level of, can the correctional system tell the public that what happens in the correctional system is preventing people from coming back into the justice system, part of the answer would have to be that the answer to that cannot be restricted simply to the operations of the correctional system.

I think, as is referenced in some of the discussion in the auditor's report, but certainly contextual information to the discussion of corrections costs, we're very much a part of a larger system. So I think the issue and the discussion that this ministry is engaged in and works with with other partners in the justice system is to try and take a look at the overall system.

I think there has been identification of various issues in the justice system at this point in time. I made reference a little while ago to some of the recommendations coming out of the Martin committee. Basically they were looking at the courts, but I think if some of the changes that were recommended there to change the court system are implemented, we'll start to see a change in who's coming into corrections in the first place; that the way in which the justice system is dealing with some offences is going to be more appropriate to some of the offences that have been committed. Hopefully, in that process, by dealing with them more effectively through the justice system, people will be encouraged not to be back with us.

I think in terms of the question of how effective individual programs are, we heard yesterday Dr Humphries's comment that we have done some work specifically in terms of the recidivism rates out of some of our treatment programs. I think we do have partial information in certain areas of the ministry's operations.

As I said a few minutes ago, do we have information on the overall recidivism rates within our institutions at this point in time? We're working on it. We don't have those statistics right at the moment. But I think certainly what we're saying and recognizing is that there is a need to make sure that we work to ensure that this is in place and that we do think through the information we need to have available in order to communicate to the public.

I think the other point you're making is very well taken, and that is that there are very much issues which are under discussion currently and we probably have not done a sufficiently good job in many areas of getting information about the justice or the corrections system out. I think that point is certainly worthy of further reflection, and we will do so.

The Chair: Mr Murphy, you have time for one final, quick question, and then I'll turn to Mr Jordan.

Mr Murphy: This may not actually have an easy answer. If not, I can defer the answer to this afternoon. I was looking through the public accounts document, which is your public accounts. It lists here, I think, $51 million in grants to non-commercial institutions, listing a whole variety from Operation Spring Board to Belleville Youth House. That's a substantial amount of money. What systems do you have in place to monitor that money you pay out to these organizations is effectively and efficiently delivered? I bet you that's not a short answer.

Ms Noble: We can give you a short version or a long version, but we can provide you with an answer. It would be just a question of when the committee wants it.

Mr Murphy: I'd like the long version—

The Chair: We're running out of time.

Mr Murphy: —so why don't we delay the answer?

Ms Noble: Okay, fine. We'll come back to that this afternoon.

Mr Murphy: But you have that as notice.

The Chair: Before I turn to Mr Jordan, I would like to ask, following on Ms Akande's question around the advocate's report that was referred to in her question, would it be possible for you to make that report available to the committee?

Ms Noble: It was a report she gave me that I can share with the committee, but it was as part of a meeting with her. Some of what I was saying also came out of the discussion. But certainly the report that sits behind it I'm prepared to share.

The Chair: Very good. Whatever you are prepared to share, we will accept.

Ms Noble: I can't replicate the discussion, that's all.

Mr Jordan: I had a couple more questions for Dr Humphries if he's available. I was wondering, do you have a copy of the Calzavara report?

1150

Dr Humphries: I have a copy of what was released to the press. The formal report, as I mentioned, has not been completed. The difference is that what was reported was the provincial report, and it was not weighted the way that an epidemiologist will do in the final reporting. For instance, if you have one case of HIV in a small 20-bed jail, that percentage is very, very different from two cases in a 600-bed institution. All of those factors will be taken into consideration in the final report.

Mr Jordan: When will that be available?

Dr Humphries: I was expecting it by the end of January, and we may still have it by then, but I'm not certain because they're working at it. It's a big project. There are, as I say, all these samples to go through. I know I will have it within three to four weeks because I'll make a point of asking for it specifically. I have not pressured at all up to this point.

Mr Jordan: Mr Chairman, would it be possible to have that report made available to this committee at a later time?

The Chair: Certainly, if the report can be shared with the committee. If you're prepared to share that report with the committee, then certainly we could accept it later.

Dr Humphries: Yes, absolutely. That will be a scientific report that will be shared with the research society. It has the potential to have international connotations, so there'll be no problem whatsoever.

Mr Jordan: Just from your knowledge of what you expect in the report and what you know about it in the preliminary, do you see yourself as highly recommending to the ministry that it get on with this closer watch and testing for HIV among the inmates? Basically, what I'm concerned about is protection of the staff who work there.

Dr Humphries: Based upon everything that's known, this ministry is consistent with all other correctional services in the civilized world. We use Universal Precautions. We put people in the population as much as possible. We respect their confidentiality. We've trained our staff twice. We provide them with the latest equipment that's available, including the little microshields for their mouth, and we have special masks that have disposable mouthpieces and one-way valves. They have little pouches on their belts where they carry their latex gloves and things like that. We have done everything possible to prepare them.

Again, as I mentioned yesterday, if we identify somebody as AIDS with a little stamp on their forehead, then that person will get special attention, but if three or four other people who may be in a dorm are HIV-positive and not known, then our people may get too lackadaisical. What we're trying to say to our staff is, "Anticipate that every person you deal with is HIV-positive and anticipate that every body spill has HIV in it." We even provi them with the special cleaning materials that will k HIV. The virus may very well not be there, but the solution is still used. That approximately right now is where the civilized world is at from a correctional point of view.

Mr Jordan: What would your view be on the supplying of condoms, accepting the fact that they have approximately an 18% failure rate?

Dr Humphries: Yes, a very good question. Again, as I mentioned yesterday, the condoms are there for health reasons. Consistently on television and in newspapers and in educational activities people are told, "Please use condoms and please use latex condoms," or, "You should consider latex condoms." If that is the message to the population, even if there is an 18% failure rate, we have to carry the same policies inside the institutions.

The condoms that we buy are properly approved. They're also used by Correctional Service Canada. They're bought from the company. They're handed out packaged. It's not like they're not packaged and someone could in some way make them less safe. The inmate gets them in a package just like buying them in a drugstore and opens the package and would take his risk like anyone in the community. We can't do much beyond that.

When asked the quality, we went for a medium-style brand because we felt if it was too heavy, we'd be criticized that it wasn't sensitive enough, and if we went with the lighter ones, there might be more chance of breakage. Again, we tried to take the safe path down the middle.

Mr Jordan: Do you also hand them out to young offenders?

Dr Humphries: Yes, that's correct. Because, remember, that the young offenders we have are 16- and 17-year-olds. It's not like they're under 16.

The Chair: There are two minutes remaining. Mr Villeneuve.

Mr Noble Villeneuve (S-D-G & East Grenville): Thank you, Mr Chair. Sorry I'm in late, but I was seconded from another committee.

I see from the information provided that many of our provincial institutions have got continuing education and rehabilitation as a very important aspect of incarceration. Nowhere do I see the Cornwall Jail, which is in the area that I represent. I know it's a very old building. Could you comment on what possibly are the problems with a

jail like the one in Cornwall, apparently not on any of your educational programs, rehabilitation programs?

Mr McKerrell: The Cornwall Jail, like most of the smaller institutions, does not have a major in-house educational program. What it would have, however, would be the availability of correspondence education, distance education. In other words, if the offenders in that institution, who are primarily on remand, were interested in pursuing academic upgrading all the way from, I guess, the most fundamental literacy material up to more advanced high school programs, that can be handled through correspondence education.

Mr Villeneuve: I really don't know what would be the average population within that particular jail. Could you enlighten me on that? How many people would be incarcerated there at any one time on average?

Mr McKerrell: It's about 32.

Mr Villeneuve: About 32. What jail population would you consider as sufficiently high to make an arrangement with the Ministry of Education and Training or wherever the funding comes from? What are the criteria here? Where does it begin to be economically viable, feasible?

Mr McKerrell: The educational programs that we operate are in a variety of different categories. For example, in the young offender facilities the educational programs are provided directly by the local boards of education and are funded dollar for dollar by the Ministry of Education.

In ministry institutions, primarily the correctional centres, we have a number of ministry employees who are teachers. They're in the longer-stay institutions, primarily Maplehurst Correctional Centre that I mentioned yesterday, Guelph Correctional Centre, and Burtch Correctional Centre has some. OCI and Vanier have teachers as well.

In the grants program with the Ministry of Education, there's a cutoff for adults and funding is not provided for the adults who would be in our system. We've conducted negotiations with the Ministry of Education for years, even to the point of considering handing over all the educational programs that we operate to the Ministry of Education, in the sense that they're the experts in the business, therefore, would they carry it on our behalf. We certainly haven't reached that stage yet, although we do continue the ongoing discussions.

With respect to providing adult education, the Ministry of Education is concerned about extending it to this ministry because others would also be knocking on its door. If they were to provide funding for the kind of educational programs that would enable us to have something in every one of our sites, that would be just the tip of the iceberg in terms of the obligation that would be created.

Once people reach adulthood, then the distance education through the correspondence courses is what's available to them, unless they are in our correctional centres, the longer-stay places where we have our own teachers.

Mr Villeneuve: Would there also be a consideration of taking an incarcerated person, say from Cornwall, and placing him in another institution where indeed these services are available? Does this occur?

Mr McKerrell: Oh, yes. Once the person is sentenced, then he's transferred from Cornwall to one of the correctional centres and where the person ends up is a result of a discussion with the individual—the classification process is what we call it—to see what the problem is. Why is this person coming into conflict with the law? What are the person's interests? What's the background? What level of security is required to contain the individual while he is with us? All of those factors are brought together in making a plan as to where the individual will go.

Let's say the person is not a maximum security risk. If they were, they would end up in our Millbrook Correctional Centre, which is the only one with the traditional walls and what have you. The others are a lower level of security and can have a wider range of programs, frankly.

Let's say we're talking about an average offender, maybe doing 12 months for break and entry. That individual may have an interest in academic upgrading, and if he does, would in all likelihood be transferred to the Maplehurst Correctional Centre. They would then go on the waiting list until there was an opening in the school as a result of the flow-through. Then they would be placed into either the full-range academic program or they might be streamed into a particular area of interest.

If the person had more of an interest in trades training, then we could send him to one of the places that has a specific trade that the person has an interest in. Indeed, as we were talking about earlier, if they're interested, say, in working on the farm, we have a couple of farms in southern Ontario and they may find themselves ending up there.

It just depends on the nature of the security at which we need to keep the person, and once that's done, we then look at the kinds of programming, be it educational, trades training, literacy upgrading, even the most basic things, treatment interventions, cross-addictions, psychiatric, psychological and so on and so forth.

It's an involved process of deciding what the person wants, what they want to participate in. Nothing is forced, but the opportunity is provided and we try to point them in the right direction.

Mr Villeneuve: Thank you. Possibly after the break I want to talk about rehabilitation, particularly when it's recommended by a judge, the abuse of alcohol and what have you and when indeed you're able to pursue it.

Mr McKerrell: Yes, we can get into that for you.

The Chair: Thank you very much. I think we will recess for lunch and reconvene at 2 o'clock.

The committee recessed from 1204 to 1407.

The Chair: Members of the public accounts committee, we'll resume our deliberations for this afternoon. Once again we have before us the deputy minister, Solicitor General and Correctional Services, the assistant deputy minister and another of her staff. I'm sorry, I didn't get your name.

Mr Page: Don Page.

The Chair: Don Page. Welcome this afternoon. I believe we are going to start with Mr Callahan, who has some questions.

Mr Callahan: I'd like to go back to the issue of AIDS in the correctional facilities. Perhaps we could call Dr Humphries forward.

Doctor, this morning you talked about a report which is still in the making, the Calzavara report.

Dr Humphries: Yes, that's correct.

Mr Callahan: As I recall from the questioning that took place, unlike a report in Quebec where there was 7% of the inmates with AIDS, the report seemed to indicate that there was 1% in the federal penitentiary and 0.999% in the Ontario system.

Dr Humphries: Yes. Those are male statistics.

Mr Callahan: Would you agree with me that in the federal penitentiary system it would be almost a death warrant to participate in a program such as that because if you were identified as having AIDS, you'd certainly be someone who would be in very serious jeopardy?

Dr Humphries: It would certainly be more difficult for that individual.

Mr Callahan: Okay. That report is going to be forthcoming when?

Dr Humphries: It was supposed to be done by January 1; then the last we heard was the end of January. As you may have heard this morning, I have not put any pressure on my colleagues but I have undertaken to do so, and if we don't receive it very shortly, I'll try to push for the next three or four weeks.

Mr Callahan: All right. I wasn't sure; do we have an undertaking that the report will be provided to this committee as soon as it's available?

Dr Humphries: From my point of view, yes.

Mr Callahan: Do we have that from the deputy minister?

Ms Noble: I don't see any reason why not. It's a report that's essentially coming out of the University of Toronto, so my offer would be subject to any limitations they would be placing on its circulation.

Mr Callahan: Can you also make available to us a copy of the report done in Quebec?

Ms Noble: I don't have a copy of that. Dr Humphries, is that a publicly available document?

Dr Humphries: We don't have that but, yes, it is published, and I'm sure that the University of Toronto could provide us with a copy of that.

Mr Callahan: Maybe our research staff could provide that to the committee. I'm going to be asking that when those reports are available that we would reconvene with corrections. I'd like to go through that when those reports are received.

I want to go through the question of AIDS in the jails, doctor. You've indicated that it's random testing, and I suppose the reason it's random testing is because if these people were identified they would be at risk in those facilities, would they?

Dr Humphries: No more so than the ones we already know, and we do know a number who are. Rather it was done this way for the purity of the research. This was truly a scientific research that will stand up to international scrutiny.

Mr Callahan: Have there been any guards who have died as a result of contracting AIDS in the performance of their duties in any of the correctional facilities in this province?

Dr Humphries: It's been alluded to me and to others that there may be one or more who presently have HIV. I personally do not know who they are. It also was alleged that one of our correctional officers at a fairly large correctional centre died. We, the ministry, have never taken that approach out of respect to the family. All we know is one of our correctional officers did pass away and it was a sad situation. It was suggested to us that this individual died as a result of an altercation with a particular inmate of ours. That inmate was no longer in our system, but I knew where that inmate was because he was part of one of the other agencies getting assistance. He had a good relationship with that agency so at my request, he complied and had a test done and was found not to be positive. That's the best I can answer that question.

Mr Callahan: Was it just this one or have there been more than one?

Dr Humphries: This is the only one that I'm personally aware of.

Mr Callahan: Are there any indications in the records of the ministry that would tell us if there are more than one?

Mr McKerrell: No.

Mr Callahan: Is this the one where the person was bitten?

Dr Humphries: No, this is not.

Ms Noble: You were requesting situations where a correctional officer had passed away as a result.

Mr Callahan: What happened to the guard that was bitten?

Ms Noble: Dr Humphries, I think you followed up on that case. You're talking about a case just a few months back?

Mr Callahan: Yes, that's right.

Dr Humphries: I'm indicating to you the one death that was brought to my attention. The inmate was identified who was involved in the altercation and, as I say, I knew where he was. He agreed to a test and was found to be not HIV.

Mr Callahan: Was there an inquest held in that case?

Dr Humphries: I believe there was a coroner's investigation into it, but because an inquest was not required, I don't believe a formal one did take place, but I could be corrected on that.

Mr Callahan: It's my understanding that if a person dies in a public institution and the reasons are uncertain an inquest is almost mandatory. Why was an inquest not held?

Dr Humphries: That's correct, but this was a correc-

tional officer, not an inmate.

Mr Callahan: He's still in a public institution as an employee.

Dr Humphries: I'm not a lawyer and I bow to you on that, but my understanding is if an employee of a public institution passes away, it's not mandatory to have an inquest. If a patient or an inmate passes away, that's a different matter, but I would bow to you on that.

Mr Callahan: Under the Health Protection and Promotion Act, there are certain diseases, just to deal with the sexual diseases, gonorrhoea and syphilis, that you can test for mandatorily. They're not optional. Why is AIDS not included under that category?

Dr Humphries: Because it's not considered one of the more contagious or virulent diseases in that regard. It's more of a lifestyle illness. It's not contagious in the sense that tuberculosis or one of these others is.

Mr Callahan: But is it not a fact that a person who has AIDS or tests positive for HIV may very well have other diseases that show up first, tuberculosis and so on?

Dr Humphries: Absolutely. Or they may come in after the HIV, because the body's weakened and not able to fight them.

Mr Callahan: Has there ever been a recommendation that AIDS be included under the virulent disease definitions in the Health Protection and Promotion Act?

Dr Humphries: There certainly has been a fair bit of discussion and controversy surrounding it. You get into the human rights issue. One is, there would be value in doing it, but secondly, the human rights people would say, "Why? This is not something that, if you get sneezed upon, you're going to get it." My personal view on that—I'm happy to share them with you and they certainly don't commit the ministry to anything—is that I would like to see it as part of the virulent and contagious diseases, but not per se, because I would want us to do mandatory testing, but because it would mean if one of our people were bitten or one of our police officers were bitten, we would then have the legislative ability to do a test, which we can't do right now.

Mr Callahan: Was it ever recommended by anyone to any ministries that AIDS should become one of the diseases referred to under the virulent disease definition?

Dr Humphries: I'm certain it's been discussed a number of times within the Ministry of Health. That's their legislation.

Mr Callahan: Was it recommended by the chief medical officer of health of this province to the Minister of Health?

Dr Humphries: I believe at one point that it was, but I couldn't be certain because I wasn't there.

Mr Callahan: Do you know what the Minister of Health's response was to that recommendation by the chief medical officer of health?

Dr Humphries: I certainly know that it hasn't happened, but I do know there's been a lot of discussion and controversy concerning it.

Mr Callahan: If I suggested to you that the Minister of Health specifically denied that request by the chief medical officer of health, would that be accurate?

Dr Humphries: As I say, I have not been part of those so I shouldn't try to put my own views on that.

Mr Callahan: Can any one of the witnesses attest to the fact that the present Minister of Health, Ruth Grier, denied a request by the chief medical officer of health to list AIDS as a virulent disease under the Health Protection and Promotion Act?

Ms Noble: I have no awareness of the discussion or any position taken by the Minister of Health. If there has been discussion, it has not involved the senior management of our ministry.

Mr Callahan: But you'd agree with me that for the safety of the people who work in that workplace, and I know safety in the workplace has always been very high on the agenda of the present government, it would be very prudent if not very wise to be able to identify those people who test HIV positive?

Dr Humphries: I'd like to just back up one step. I would still like all of our people to assume that every person they deal with is HIV positive. I don't want to lose that philosophy because that's too important.

It would be nice, following an altercation or something of that nature, to be able to determine whether or not we're dealing with a hepatitis B or an AIDS situation. What we do now when that happens is we ask the inmate's permission to give blood and they almost always do it for us. We rush it by courier to the lab. We phone the provincial lab and ask them would they please give it priority and would they give us a verbal reading as soon as they've got it and a formal one after that.

For instance, if it's hepatitis B—remember that's a more resistant organism; it's harder to kill it—when we run into that now, our protocol, and it doesn't matter what time of day it is, we run the person first of all over to the hospital to give them gamma globulin. If they haven't already been vaccinated, we start a vaccination process. We take blood from the inmate and try to get it tested as quickly as possible. We do everything short of, while trying to find out.

Mr Callahan: Doctor, Mr Jordan this morning referred to a Japanese test that's available that has come to my attention. It can give you a result almost as quickly as you could get one with a piece of litmus paper on a diabetic test. Is that correct?

1420

Dr Humphries: As I indicated to Mr Jordan, I am aware of this new test. We don't have any information on it yet; I personally don't have any. It's a different technology from what we're using. We're working on the antibodies with the ELISAs and the blot tests and things like that. It's really new, but it could be awfully exciting and have marvellous potential.

Mr Callahan: But it would certainly be far more effective, because of the short stays of your people who pass through your institution and then pass back out on to the street as a time bomb to people out on the street. For instance, you have people coming in there who are serving sentences for impaired driving. They come in on the weekend. They could get a very big surprise on their

trip home, not necessarily AIDS, but as you agree, people who are HIV-positive are susceptible to diseases such as tuberculosis and other diseases that are communicable. You're nodding yes, for the record, and they could in fact be carrying that disease back to their family.

Dr Humphries: Yes, absolutely. We do deal with these opportunistic diseases. We recently had a cytomegalic inclusion disease in one of our institutions associated with HIV. But this new test coming out of the east, when it comes and if we get information and stuff that we can learn about, if it is a different technique and we'll pick up the virus per se and we can get rid of the windows, that could very much change our focus.

Mr Callahan: I understand this Japanese test will get rid of the windows.

But in any event, going back to the issue that the guards are instructed to treat every person as if they were HIV-positive, that may help them in terms of if they're not bitten or there's not blood spat on them, or some type of bodily fluid, but does that protect them from the secondary disorders that arise—that you've already acknowledged arise—unfortunately in these people who are afflicted, of tuberculosis, of a number of other diseases?

Dr Humphries: We know that tuberculosis is on the increase. We know that even the resistant tuberculosis is on the increase in Ontario. But the fact that a person whose immune system is suppressed has these illnesses doesn't necessarily mean that they would be passed on to a normally healthy working person. They're very susceptible because they have essentially very little immune system.

Mr Callahan: But I think the thing that boggles my mind is the fact that under the Health Protection and Promotion Act, all of the diseases that I'm familiar with—cholera, diphtheria, gonorrhoea, haemorrhagic fever, Lassa fever, leprosy and so on—are listed as being diseases that, in terms of the old school when I was a kid, were quarantinable diseases.

Dr Humphries: Yes.

Mr Callahan: I can't for the life of me understand why the testing could not be made mandatory in the jails to protect the guards, so the guards would be aware of who has and who hasn't. It doesn't have to be done on the basis of putting those people's lives in jeopardy, which I would be very sensitive to, because I know in a correctional facility they're not looked upon, if they have AIDS, I guess, with the greatest of respect. But surely, there's a more important obligation: to ensure that these people are not perhaps laying their lives on the line either, because of the spinoff-type of diseases from that. Would you not agree with me?

Dr Humphries: I would agree, but remember, as you said, the diseases you've mentioned were in the past quarantinable? You would not quarantine an HIV person. You'd let them go to school, you let them work in kitchens of a restaurant and you let them be nurses. You do not quarantine people.

Mr Callahan: If you can't mandatorily test somebody for HIV when they come into the institution, how do you know whether or not the person whom you're perhaps putting in the kitchen is not HIV-positive and may infect the entire population by some type of bodily saliva, or whatever, not intentionally but by accident?

Dr Humphries: Yes, and the answer is, we don't know, just as you don't know out in the community who next to you may be HIV-positive and what they may be doing.

Mr Callahan: But I'm not placed in a position where the potentiality of that happening—we've got rid of these myths that if you shake hands with these people, you're going to get the disease, and that's a good thing that we have got rid of those myths. But when you place people in a particularly sensitive position where there are possibilities of altercations, there are possibilities of being spat at—I've heard of instances where guards have been spat at—I mean, that's got to be a very frightening and stressful situation, I would think, for people who work in the correctional services.

Perhaps this is the reason we need the ratio, as the auditor has found, of one to one for prisoners, is to deal with this particular explosive issue, plus the fact that you've got 15% of the people in there who are mentally ill and shouldn't be in correctional facilities. Maybe it's time for this government, which is so concerned about safety in the workplace, to look at the question of dealing with these people appropriately, dealing with the people who are mentally ill and putting them in a facility that's able to treat their illness, not putting them into correctional facilities to cause problems, which you've already expressed, and the extreme cost.

Maybe it's important that these people who have been afflicted with the illness of AIDS should be treated with some respect as well and perhaps kept, in a facility such as Burwash, separately from the other prisoners. It would do two things. First of all, you could identify them without them being at risk with the rest of the prison population, being at risk of being killed or whatever. You could also deal with them in terms of a humane way of treating their disease.

I mean, to me it's absolutely mind-boggling that in a civilized society that we would house 15% mentally ill people and AIDS people, who we say are 0.999—I have some real concerns about the quality of that sample, particularly if you've got 7% in Quebec. I can't believe that Quebec's got any worse problem than Ontario does. That's why I want to see this report and compare how it was done in terms of that report and the one that's in place. I really find that incredible.

I find it incredible as well that the Minister of Health would not in fact consent to place this, at least for correctional purposes, if for no other purposes, on the list of virulent diseases, so that you could mandatorily test these people.

Dr Humphries: I should explain the Quebec experiment. That was done by Dr Kate Hankin. It was a voluntary thing. It was not anonymous. The people volunteered for it and they knew that they would be identified. As a result, we in Ontario feel that they got a rather select client group. That's very, very different from the study that was done in Ontario.

Mr Jordan: Just following up a bit on my colleague's questioning there with you, I think you're well versed on the report basically and you understand what will be coming to you and so on, but I'm sure you also realize the cost to the ministry should a policy be made to implement that report and make use of it in such a way as to identify these people.

Dr Humphries: In fact, I don't think it's going to cost us any additional resources. I think our present policies are definitely handling the problem as we know it. When I say I don't think it'll be additional costs, there are a number of people, including me, who thought that those statistics might be higher, and we were pleasantly surprised at how low they were. Based upon the Quebec study, we wondered if we might be as high as 7%. We haven't been so far.

Mr Jordan: Would you not agree that the staff level now of one to one is partially relative to this problem?

Dr Humphries: I think it's relevant to this problem, but to many other problems as well. It's a strange society we're living in these days.

Mr Jordan: It follows then that you have that concern of having treated medically, through drugs, the other problems these people have and then they go out on the street and don't have the medication they were having while at your institution.

Dr Humphries: Yes, you see, the opportunistic diseases are the easier ones for us to handle. It's not great for the HIV person, but for just about every opportunistic disease, including the resistant TB that we see, we can treat it and we can give the proper medication to control it and work with it while they're with us.

Mr Jordan: Excuse me, while they're with you?

Dr Humphries: Yes, and then we have to hope that they have a family doctor in the community they would return to. We cannot carry them beyond their committed time to us.

1430

Mr Jordan: How do you police, if you will, the transition from your care to—

Dr Humphries: Okay. Whenever we identify an HIV person, Mr Jordan, if the patient agrees, and they almost all do because they love to get out of our institutions, we hook them up with the local AIDS treatment units. There are treatment units around the province specifically for AIDS; Sunnybrook has one, Toronto Hospital has one, McMaster has one. We put them in contact with them and we don't usually take the lead in treating them. We send them to the specialist. Dr Anita Rachlis does a lot of our patients at Sunnybrook hospital and she will send back instructions how that patient is to be treated. The same with Dr Berger; we have a lot of relationships with him.

We essentially carry out their orders. They're usually the ones who do the blood tests, the T section cells and all of those things. They do the testing, they advise us and we use the medication regime laid out by them, so we hope when we discharge them that they will continue to work with that clinic. If we don't have a subsequent probation order or something, we can't force it. In fact, we don't even force treatment within our institutions on anybody.

Mr Jordan: What other studies related to HIV prevalence in corrections are being undertaken?

Dr Humphries: The ones that I mentioned this morning—now remember, these are not being undertaken and they haven't even reached senior management of the ministry yet. The one proposal is what they call the KAB, that's knowledge, attitude, behaviour. That's been proposed. The second one is to study the conversion rate while within our system. So where that's at, the same doctor, Liviana Calzavara, and her team have drawn up the protocols for both of those and they're in the process of submitting them to what is referred to in our ministry as the advisory committee on research and evaluation.

That is in the process of being submitted and the discussions have occurred, but the steps beyond that will then be to go to our senior management. If that's approved, then we would go to the ethics committee of the University of Toronto, just as we did with the last one. If that's approved, then essentially at that point they could begin. But at this point, the approach has been made, the discussions have started and it has been moved in the direction of what we call ACRE, advisory committee on research and evaluation.

Mr Villeneuve: I simply want to continue my line of questioning of this morning regarding rehabilitation. This was an experience that happened to someone fairly close to where I reside. A dairy farmer, on I believe a couple of occasions, was charged with impaired driving and the judge gave him a sentence of 30 days in jail, plus rehabilitation for his alcohol problem.

When he was in the jail in Cornwall, the dairy farm was being run by his wife, some small children at home. Something went wrong one morning, so she phoned the jail about 6:30 to find out from her husband what to do. She wasn't able to communicate with her husband till 8:30; they didn't want to wake him up.

She told me that rehabilitation consisted of smoking, playing cards and watching cable TV, which they don't have at home on their farm; not very conducive to rehabilitation. This guy may well serve his sentence after he gets home, from his wife. However, that being the case or not, what sort of rehabilitation do you have in a situation where it's a 30- or 60-day sentence, I'm not sure—but in a place like Cornwall, is there any program to rehabilitate someone with an alcohol problem?

Mr Mills: How old was this guy?

Mr Villeneuve: Thirty.

Mr McKerrell: I'm going to ask Don Page to respond to Mr Villeneuve.

Mr Page: In regard to the specific issue of substance abuse counselling and treatment programs, the ministry has a fairly large network of these programs, and I will refer to them in a minute, but your specific concern is in regard to the Cornwall Jail. I must admit I don't have with me at this point exactly what kind of program they might have at the Cornwall Jail. Specifically, they would have an AA program, because every one of our 50 institutions across the province has a very active involve-

ment with Alcoholics Anonymous and they are very welcome in our jails and hold meetings there on a regular basis. Whether there is a specialized program for driving while impaired or substance abuse at Cornwall, I'm not familiar at this time. Perhaps before I'm finished here somebody will let me know.

If I could just give you an overview of the types of programs we do have across the province, we have programs that are run by our own ministry professional staff. In that regard, we directly employ 68 psychologists and we have fee-for-service contracts with another 47.

There are social work services. We have 208 social workers in our system. Many of those professionals would be running programs in the institutions where they're working with people with substance abuse and many other problems.

We also, as I said, have voluntary self-help groups. Basically, AA is the most widely represented one, but other groups do come in to help with both drug and alcohol abuse.

We have specific programs. Our alcohol abuse programs fall into two categories: alcohol and drug awareness, and driving-while-impaired programs.

In regard to alcohol and drug awareness, we have about 107 programs across the province, and in regard to driving while impaired, we have about 25 specific programs across the province. We also have programs that we developed in concert with the anti-drug secretariat through the Ministry of Health. We have specific programs at several CRCs, community resource centres. There is one of those in Cornwall and it may well have a program there; I'm not sure.

We offer a very sophisticated drug treatment program through the Portage Foundation in Guelph. We have a native drug awareness program in Kenora and we have a lot of programs in our treatment facilities at OCI, Guelph, Millbrook, Vanier, Rideau and the Northern Treatment Centre. These basically are group programs that consist of six or 10 people meeting and going through various sessions on the impact of alcohol or drugs, self-awareness, self-esteem, the actual medical problems that exist with that sort of problem, and some of the legal and other problems that could occur.

I've just been given this for Cornwall Jail, and they have both an Alcoholics Anonymous and a Narcotics Anonymous program. The average participation in the AA program is eight people and it's held once a week. Of course, it's voluntary.

Mr Villeneuve: When it's ordered by the judge, does it still remain voluntary, when the judge says this man needs to be rehabilitated?

Mr Page: The judge can recommend that he undergo alcohol treatment in an institution. It depends on the length of sentence whether he's actually going to get to one of the more sophisticated places where he can have a full program. In the Cornwall Jail obviously we don't have a full and sophisticated AA program or alcohol program. If he had a longer sentence, he could be eligible for transfer to the program at Rideau Correctional Centre, which is in your area, or at OCI.

If it was ordered in a probation order, and sometimes people with impaired driving charges get a sentence of a short period plus probation to follow, there may have been a condition in a probation order. Then a probation officer would follow up on that in trying to find assistance from some of the existing agencies within the community.

1440

Mr Villeneuve: Thank you. Now, to change the subject a bit, how many locations is your head office staff distributed in? Maybe the deputy minister can answer this. Would you be in three or four locations?

Ms Noble: The minister and myself and some offices of the now integrated ministry are here in Toronto. The office in North Bay includes a substantial portion of the corporate services people plus head office or corporate level staff of the Correctional Services division as well as some staff from the information resources division of the integrated ministry. Because of the relocation of the OPP and parts of the Solicitor General to Orillia as part of the integration, we also have components of what would be called corporate support offices in Orillia as well. However, if you were going to ask whether the minister and I have multiple offices, our offices are here in Toronto.

Mr Villeneuve: I gather the Mississauga office, which was closed, still has some staff there?

Ms Noble: Yes. The office in Mississauga, which was the old central regional office, does have staff there. We have, within Correctional Services, gone from five regions to four, so that was a reduction that's been made since last April.

Mr McKerrell: If I could I just add a couple of words on that for you, the central regional office from the Correctional Services division was closed; they actually moved out in September 1993. There is a lease on that property, so it would have been sitting empty. Two groups of staff who were working in another building were moved from the other building into the leased space, and then we've been able to mothball the other building to reduce operating costs. They're just keeping enough heat in there to prevent the pipes from freezing; otherwise, we're saving on the operating costs of that other building.

Mr Villeneuve: Further to the numbers of staff in head office, would you have an idea of what possibly was your staff five years ago and what the staff is now at head office for corrections, those considered attached to head office? Do you know how many staff you have there now as opposed to five years ago?

Ms Noble: I think that if we were going to try to check actual statistics, we'd have to call for them. The other thing would be the comparison of what was a self-contained ministry up until last February, essentially, to what is now an integrated operation, so that some of the corporate office functions which up until the integration would have been only sufficient or large enough to sustain the Correctional Services ministry, through integration we've actually—it's less than one plus one. We've reduced staff in those corporate offices. But we'd have to take a bit of time to actually try to calculate staff

differences. Neil may want to comment in terms of the Correctional Services support itself.

Mr McKerrell: From what we would call the program administration part of the Correctional Services division, it's very definitely smaller than it was five years ago. It's smaller than it was two years ago. With the closing down of one of the five regional offices, there were 20-some people in that office. At the same time, I amalgamated what were two separate branches, one for institutional programming and one for community programming, in the head office structure. I combined those into one. We saved a director and so on.

We've also been downsizing some positions of analysts and so forth. During my time in the head office structure of Correctional Services, which dates back to 1987, we've steadily reduced the number of positions.

Mr Villeneuve: I understand that in the Stratford Jail there were fairly major renovations done there. It's also my understanding that the jail was staffed on a 24-hour basis when there were no inmates there while the renovations were going on. Is that what happened?

Mr McKerrell: I don't think so, but Don Page is the western regional director; perhaps he can comment.

Mr Page: When the Stratford Jail was closed during the summer of 1992 for renovations, the administration staff remained there to handle the book work and the administration for the jail, but the actual correctional staff all were transferred to other institutions during that period of time. Some of them went to Waterloo Detention Centre. A lot of them went to Elgin-Middlesex Detention Centre. A couple of them, I think, went to Bluewater Youth Centre to get experience with young offenders. There were savings there because they were able to fill in where people were taking training or vacation in these other institutions.

Mr Villeneuve: So it was admin staff basically that was there.

Mr Page: The admin staff was there and a maintenance person who was sort of coordinating the construction that was going on.

Mr Villeneuve: It's my understanding, moving to the northern region, that a contract to a consulting firm to do a study—it was known as Corporate Health Consultants—cost the ministry about $50,000. Would that be about right?

Ms Noble: I'm not familiar with the contract you're referring to, so I would need some further details in order to follow up on it.

Mr Villeneuve: Okay. I understand that in other regions ministry staff was used to arrive at the results that they needed. The question simply was, why would the north have to purchase from Corporate Health Consultants a referral contract for the employee assistance program in the area of $50,000?

Ms Noble: Neil, perhaps you could assist.

Mr McKerrell: Yes. I'd have to refresh myself on the details, but as nearly as I recall it was more cost-effective than $50,000. That figure doesn't ring true with me but, as I say, I'd have to go back and look at it. Given the geography of the north, it was considered more cost-effective to have that service than it was in southern Ontario, where we have it on a regional basis and it's not so expensive, but I'd have to go back and get details for you.

Mr Villeneuve: Still with the north, apparently the same region received about $1 million during the current fiscal year to establish aboriginal programs. It's my understanding that never did get off the ground, yet they're still showing some sort of a deficit in the area of $1 million. Is that right?

Mr McKerrell: The northern region received funding to enhance aboriginal programming and that money's all committed to aboriginal programming.

Mr Villeneuve: And the programs are up and going?

Mr McKerrell: There's a wide range of aboriginal programs up and running with that money. There was one in the Kenora area which was not particularly successful and that money is being reallocated to other aboriginal programs that would be more successful.

Mr Villeneuve: A regional director in the east, I believe, was suspended for a year with full salary recently in the Kingston office.

Mr McKerrell: The former regional director.

Mr Villeneuve: Yes. Now—

The Chair: Thank you, Mr Villeneuve, time has expired. I'm going to have to move to Mr Mills.

Mr Mills: I want to start off this afternoon by making a correction to some things that I'm prone to say. In my old way of talking, I have called firemen "firemen" when in fact they're firefighters and I believe during the discussion here I've referred to people as guards. I want to correct the record. They are in fact correctional officers. I apologize for using any other term that some people may take offence to. I just want to put that on the record.

I've heard a lot of discussion here about AIDS. Probably it's a concern, it's an issue, but I haven't seen, unless I've flipped the page, anywhere in the auditor's report where there's any concern about AIDS and about treatment for AIDS and all that related stuff. Having said that, I'm going to get back to the thrust of what we're here for, and that's to discuss the recommendations of the auditor. I think that's really foremost here.

1450

One of the recommendations of the auditor is that the ministry should strengthen its efforts to liaise with the judicial system to determine whether community programs could be better utilized. I am very interested and although I'm with that ministry I'm not up to pace on this. I think it's very important that we hear what community programs are in place and then we could perhaps get a better understanding in this committee, in our report, to see if in fact the programs could be better utilized. I'd like to ask Mr Page, who I believe is the expert on this, to comment on the community programs.

Mr Page: The ministry certainly supports the Provincial Auditor's recommendations for increased use of community corrections programs. As a community

corrections person I applaud that particular statement, although I am a little mystified that there were some concerns that we weren't using them as much as perhaps other provinces.

Certainly the use of community corrections programs is in keeping with federal reports recommending the use of the community. Such reports as directions for reform, intermediate sanctions, papers and so on, and the heads of corrections for Canada which are represented—the head executive for corrections in each province at their annual meetings have endorsed the concept of more use of community corrections and the use of the least restrictive alternative consistent with public safety.

Certainly in Ontario community corrections has a long history. Ontario had the first Probation Act back in the 1920s and certainly developed probation through the 1950s and 1960s until probation has become the dominant correctional option in this province. Ontario also had the first parole board. It had the first community resource centre programs and it developed a temporary absence program, all community corrections programs.

During the late 1970s and 1980s, the Ministry of Correctional Services embarked on partnerships with community agencies of all types to bring them into the correctional field as partners with us because we certainly feel that we're not going to solve the problems of our clients unless we get assistance from the community and they become more aware of the issues we have to face. That's why we have involved many community agencies and we have some 5,000 volunteers working in corrections with us. That is one of the largest volunteer programs in corrections anywhere in the world.

Among our programs, probation, parole, residential programs, and also to clarify a figure that Mr Mills used earlier today—the community service order program, which is generally a condition of probation and which requires people to do community service in their communities rather than be incarcerated: In 1991-92 there were 786,000 hours of community service work done and if you multiply that by a minimum wage of $7 an hour you get $5.5 million; so it was $5.5 million, Mr Mills.

Mr Mills: Millions. I'm sorry for that. I thought "billion" was a little high.

Mr Page: Yes. In addition to that, we collected $4.5 million through restitution orders that were part of the probation.

What I would like to say is that in connection with the comments about dealing with the Ministry of the Attorney General to make more effective use of community programs, Ontario courts already make a greater use of probation than any other province. We have some statistics here which we can provide to you which show that Ontario has far more people on probation on any given day, in gross numbers and proportionally, than any other province.

I believe that when the Provincial Auditor was reviewing institutional programs he did not consider probation as part of the institutional stream, quite rightly, and so did not include that part of our community programs where we have large numbers.

The fact that Ontario makes greater use of probation than any other province and the fact that Ontario has its own parole board, which releases many sentenced offenders, the result is that there are probably fewer low-risk offenders within Ontario's institutions. In other words, the large number of people who could be released safely from the institutions are either not going there because the courts have confidence in probation, or they're being released on parole, or they're being released on temporary absence.

If I could just give you some figures, on any given day there are 8,000 offenders in our system incarcerated, but about a third of those are on remand. We could say that there are about 6,000 sentenced offenders, sentenced to a term of incarceration, on any given day. Of these, 1,800 are on parole on any given day, 800 are on TAP on any given day. This represents about 2,600 people out of the 6,000, and this comes to about 40% of all the sentenced offenders in Ontario who are in community programs. Another 53,500 adults are under probation supervision and, in all, about 87% of all sentenced offenders in Ontario are serving their sentences in the community. That compares with figures in other provinces—and I will circulate this—of 82% in Newfoundland and Labrador, 78% in Quebec, 82% in Manitoba and so on.

Mr Mills: Thank you very much, Mr Page. Mr Chair, I am going to give the rest of my time to my colleagues. You decide who.

The Acting Chair (Mr Murphy): I have Mr Duignan and then Mr O'Connor, so I'll leave it to you to decide how you want to allocate it.

Mr Larry O'Connor (Durham-York): I have a supplementary on the very same issue.

Mr Noel Duignan (Halton North): That's what I want to get in on too.

The Acting Chair: Mr Duignan is on the list so we'll go to him, and I'm sure he'll leave you some time, Mr O'Connor.

Mr Duignan: Thank you, Mr Chair. I will.

I want to follow up on that line of questioning, and I want to talk about Maplehurst and the community programs there. I have met recently, in fact over the past little while, with a number of correctional officers both from Maplehurst and indeed from Vanier over a number of issues, and one of the great concerns they have is in fact the cutback on the community programs provided by Maplehurst. Is that correct?

Mr McKerrell: There was a cutback in the number of work teams that went out into the community over the last year as a cost-cutting measure, as a constraint measure. That reduced the number of staff hours outside the institution and enabled us to reduce our operating costs.

Mr Duignan: That of course posed a number of problems for a number of agencies in the community that were relying on that service.

Mr McKerrell: That's right.

Mr Duignan: Is there a way of restoring that particular service and still keeping the cost-saving measures?

Mr McKerrell: We're reviewing that. As a matter of fact, Don Page is chairing a committee within the division to look at all the programs and services that we're providing across the system—we call it rationalization—to look at what we're doing, what we can do. Are there certain things that we will stop doing in order to do other things?

There are many components to this, and a month ago I placed Mr Page in charge of coordinating all these bits and pieces of reviews that I've got going on so that we can bring closure to this reasonably quickly. His mandate is to bring this forward in the summertime, and we'll be in a position then to make some decisions and decide how we want to proceed over the course of the summer and into the early fall, and then go from there.

The short answer is, there may be a possibility of putting some of these things back, but only after we've been able to review everything that we're doing and decide what we're in a position to proceed with.

Mr Duignan: So it's not a dead issue; in fact, there's a good possibility that some of these programs that were operated by Maplehurst could in fact be restored in the future.

1500

Mr McKerrell: There's a possibility. There would have to be an offset, though. There is no new funding available, so in order to start doing something, something else would have to stop, or things would have to be rearranged in some way to enable us to do it. That's why we doing this, in essence, program review, along with a lot of other things, to see what we should best spend the resources on.

Mr Duignan: You expect that some time in the summer. You will take some time to evaluate that, with some decisions coming later in the year?

Mr McKerrell: That's right. There is a work plan with dates established. I'm expecting Mr Page's report at the end of July, isn't it?

Mr Page: Yes.

Mr McKerrell: Then I will take the balance of the summer into the early fall to review the report—because it's going to be extensive; there's a lot of stuff—make some decisions—the deputy and the minister and the whole senior management group will be involved—and then proceed from there.

Mr Duignan: When the report is finished, will you be able to file a copy with this committee?

Ms Noble: I think what we will have out of this is a set of recommendations that will be coming forward within the ministry. I don't have a problem with committing to sharing the outcome in terms of what we find. Whether that will be in the form of a report, I'm not sure that's the form it will take.

Mr Duignan: Are you saying then that the report is confidential? In other words, you say no. Right?

Ms Noble: No. What I'm saying is that the project report that is being done will be done by the staff. It will then be forwarded for discussion and will have to be dealt with in terms of decisions.

You asked whether or not when the report was finalized, ie, the results of the decisions are known, it be available to the committee. What I'm saying is—

Mr Duignan: That's not what I asked; I said the report itself, a copy of the report. Are you prepared to file a copy of the report with the committee, yes or no?

Ms Noble: You're asking in terms of the internal recommendations of the staff?

Mr Duignan: Yes.

Ms Noble: On the understanding that it would be a working report within the ministry. It would not—

Mr Duignan: So it would be confidential to the ministry?

Ms Noble: Certainly it's a draft. That's what it is. It would not represent a final decision or the participation of all of those who would need to be involved in a final decision. I'm indicating what the status of it would be.

Mr Duignan: In other words, you won't be a filing a report, simple as that. You could say that.

The Acting Chair: Are you finished, Mr Duignan?

Mr Duignan: Yes.

Mr O'Connor: I wanted to ask a supplementary on Mr Mills's line of questioning. Quite often people in the community, and I know our constituents, have problems when we hear about these alternative custody situations where people are going out to the community and doing community programs. I am aware that these are non-violent offenders, but there needs to be some involvement within communities to allay any fears. There's got to be that community involvement.

I wonder if you can tell the committee some of the types of programs you're talking about. When you talk about community programs, sometimes it's as clear as mud. Sitting here listening to you, I never heard you refer to an actual program, so maybe you could name some specific programs. The viewers at home would then know how all the fine questions Mr Mills asked refer to actual community programs.

Mr Page: When we are talking about community correctional programs, we're talking about programs that are alternatives to incarceration. So the convicted offender is serving his sentence in some way rather than in jail, but on the street.

The chief one of those is probation. It's the sanction of choice by the courts these days. As I said, there are some 53,000 adults on probation and 9,000 young offenders. Probation is a decision made by the court to release the person under a conditions of probation order. It can be for anywhere up to two years. It has conditions that require the person to keep the peace and be of good behaviour, to report to a probation officer, to refrain from certain behaviours such as drinking or use of drugs, and it may have all sorts of other conditions that might be useful in the rehabilitation of the offender.

The second-largest community program would be parole, which is different from probation in that the decision is made by a parole board and the person is released on parole after serving a portion of his sentence. He's still serving part of his sentence in the community,

whereas on probation he's got probation instead of a sentence. There are about 1,800 on parole in Ontario. They are also under the supervision of probation and parole officers, required to report regularly and usually have some fairly strict conditions about behaviours and movements and so on.

The third major community correctional program would be residential programs. These were commonly called halfway houses. We call them community resource centres, but they're halfway houses where people who are released from institutions reside under fairly close supervision.

Another is community service orders, as I've mentioned, where people are required to do community service or make restitution rather than go to jail.

There are a variety of other programs that deal with family violence and, as I said, driving while impaired. These are usually conditions of a probation order, that a person get specific treatment or be involved specifically in a program related to the type of offence he committed. We use volunteers a great deal to assist us in these programs, and we use community agencies.

Those are the kinds of things. These people, by and large, people on probation and parole, are going to school, going to work, abiding by the law, supporting their families, contributing to the economy in one way or another. There are 53,000 of them out there. I'm sure you bump into one of them some time during the day wherever you might be.

Mr O'Connor: I think that's the key; the last sentence kind of sums it up. When we talk about people involved in alternative custody, quite often they're either returning to education or are in some type of therapy or perhaps involved in something like the John Howard Society, a number of different programs within the community.

Mr Page: That's right. We have 629 probation officers supervising these people and 134 offices, which are scattered. We probably have a network wider than almost any other government service. We have an office in almost every town there is. Maybe the OPP has more detachments.

The Acting Chair: The auditor wanted to follow up on the document you just passed out.

Mr Erik Peters: Just to permit the committee to relate the document you just handed out to the report. I believe at the time we were very careful in agreeing with your ministry on the statistics we were using. On page 164, we were referring to the fact that Ontario had placed only 11% of its offenders into these community programs. Do you have a further breakdown? I think here it's called probationary counts.

Ms Noble: In explaining the difference between the figures in the auditor's report and the figures we've just handed out, they're not actually inconsistent, and we weren't trying to hand them out to demonstrate an inconsistency. The auditor's report was focusing on those who were sentenced to institutional custody, and then would have been looking at those who were placed in community residential programs etc through the institutional programs. It would be 11% of the 14% or 15%, in other words; it's a subset of the institutional group. We're not at all disagreeing with your statistics in terms of those who are sentenced to the institution.

The purpose of this was not in any way to challenge the figures the auditor was showing. The point to be made was that in considering people for the community, you obviously are making decisions about those who are not going to be a risk to the community. The purpose of showing these statistics to the committee was to demonstrate that in Ontario we have a different pattern of sentencing taking place back one step; ie, the judges in Ontario, by sentencing a greater number of those coming through the courts to probation as opposed to the institutional setting, are taking some of that decision about who needs to be in an institution versus who can be in the community under probation. Comparing our percentage of those having been sentenced to an institution and then going to the community to the percentage in another province, they have a higher proportion of people coming into the institution in the first place and therefore the potential for a greater number of them able to be in the community. It wasn't intended to demonstrate an inconsistency, just to demonstrate that we are potentially dealing with a different pool of clients being sentenced to the institution in the first place.

1510

Mr Peters: I really appreciate that. I didn't want to infer defensiveness. I knew that's what you had done, but we couldn't quite openly for the committee relate the two figures. That's much appreciated.

There's a second question, purely in the realm of speculation. We didn't get into it and you didn't, but there's an astounding difference between Quebec and Ontario in the statistics before us. Can you help us try to understand why, for example, in 1992 the total population under your custody was 55,000 and the total population in Quebec was only 15,000? For a province as large as Quebec, that is an astounding difference.

Ms Noble: This is speculative so I don't think we should any of us draw a conclusion from what I'm about to say. I have seen other data which would indicate that there may be a tendency in Quebec to longer sentencing patterns, and as a consequence, given that provincial institutions are only for sentences of two years less a day, one would need to look at what proportion of offenders through the Quebec court system may be finding themselves going into the federal system proportionate to what may be going there from Ontario. That would certainly be one dimension to be examined.

Mr Peters: I knew it would be in that realm of speculation, but it's a number that certainly jumps out when one looks at this document.

Ms Dianne Poole (Eglinton): I'd like to look at the staffing. This area has been touched on in the previous two days, but I haven't found the answers to be totally satisfactory to date. I'm looking at pages 157 to 162 of the auditor's report. The auditor has made the observation that over the decade, the total average inmate population increased by 28% while institutional staff increased by 73%.

Then the auditor has proceeded to give us the ministry's explanation on the next page, page 158, which basically comes into four categories:

—Changes relating to the Young Offenders Act, which meant that young offenders had to be housed separately. That was 915 staff.

—The Askov decision, which resulted in 200 additional staff.

—Concerns about health and safety issues which has led to an additional five staff per post, which I would assume to be around 250 as you have 50 institutions.

—The reduction of the number of working hours for the staff.

I've added up all those factors. Considering that the auditor said there was an increase of 2,900 staff in that 10-year period, the figures given for those categories add up to less than half of that 2,900. Could you explain the difference? What happened to the remainder of staff that were hired and why were they put on?

Ms Noble: One of the differences in using the 1982-83 base year to the end year is that for 1982-83, the figures did not include what would have existed at that time in terms of unclassified staff. By the end of the period, we do have the numbers and they have been included. The ones we did have were included by the auditor through the whole period, so the tracking of the numbers was there, but some portion of that number—unfortunately, I don't have the numbers because I don't have the records back to 1982-83—represents the unclassified staff who would have been in the institutions in 1982-83 but for whom we don't have the count. Based on the fact that in 1985-86 it was about 800, taking that back a couple of years we could suggest that maybe somewhere in the order of 500 to 600 of that difference can be accounted for that way.

Ms Poole: But there would still be a significant number unaccounted for when you add up the four categories listed by the auditor plus the unclassified staff.

Mr Peters: Can I help? The 1985 number became significant because that was when the Young Offenders Act was changed, and that caused an increase at that point.

Ms Poole: Yes, and your report states that. But only 915 of the 2,900 came from the changes to the YOA. What concerns me is that with such a very high ratio of staff to inmates—basically one staff person for every inmate, much higher than the rest of the jurisdictions in Canada—I just can't seem to put my finger on why that's happening.

The auditor mentions, "The ministry has commenced a staffing analysis of its facilities based on a process developed by the National Institute of Corrections of the US Department of Justice." Does the US Department of Justice have a recommended staff-to-inmate ratio?

Mr McKerrell: The answer to the increase in staff is built into workload, young offenders, growth in the system. I mentioned yesterday that we added a number of facilities in southern Ontario. We opened the addition at the Maplehurst complex, with a number of staff added there. Staff were added at the Northern Treatment Centre. There was the additional building at Metro West Detention Centre for female offenders, as well as the expansion of young offenders, the occupational health and safety issues I referred to yesterday, plus the change in the accounting for the unclassified, plus the increases in the treatment staff that we talked about. It adds up to that difference.

We talk about having a ratio of one to one, but if you walk through the Toronto Jail tomorrow, for example, I assure you you won't see one staff person for every inmate in there. You have to look at where the people are deployed. The heaviest staff resources are in the young offenders system and in the treatment facilities. In the correctional centres, there's a higher level of staff per offender because of all the programming that goes on there. When you get into the jails and detention centres, you're dealing with essentially pure correctional supervision and it's less there. It's a matter of looking at where these people are deployed; it's not one staff person bird-dogging every offender we have.

1520

Ms Poole: Mr Callahan wants to follow up with his other line of questions, so I'll just ask you to provide one more piece of information, and you may not have the statistics right here. Could we have a breakdown of the staff in our institutions, the percentages and numbers who are correctional officers, the number in treatment facilities, the number of social workers, and educational? Could we have that type of breakdown?

Mr McKerrell: By classification of staff? Yes, we can provide that to you. We don't have it here, but we can make it available to you.

Mr Callahan: I'd like to go back to the statement made by the parliamentary assistant to the Solicitor General, the ministry of corrections, that he didn't believe AIDS had anything to do with commentary at a meeting of public accounts on the auditor's report—

Mr Mills: On a point of order, Mr Chair: That is not correct. What I said was that I didn't see in the auditor's report anything related to AIDS.

The Acting Chair: That's not a point of order.

Mr Callahan: Let me tie it in. We've seen one-to-one ratios of guards to prisoners, and we've seen sick leaves which are rather unique. I suggest there is a tie-in, certainly a suspicion of a tie-in, that the guards at these institutions are suffering from significant stress because of their present predicament in terms of having to deal with people, all of whom have to be treated as though they're HIV-positive—they don't know who is and who isn't—and people who are mentally ill, 15% of the inmates in there. Anybody working in that type of atmosphere, I would suggest, you'd be lucky if they showed up for work at all. I suggest there is a tie-in very much related to the question of what the auditor has identified, and I suspect the auditor will identify it again.

Are you aware of an instance in one of the correctional facilities where the guards refused to resuscitate a patient who was HIV-positive and the inmate died? Is anybody aware of that?

Dr Humphries: I am aware of a situation at a

correctional centre where there was a question about the continuity of the CPR that was provided. My understanding was that it was not known at that point whether the individual was HIV-positive or not—I may stand corrected on that—but that it related more to the fear of the situation. The ministry did formal investigations of the situation, if we're thinking of the same incident, and I understand there have been some grievances laid as a result.

Mr Callahan: In addition to that, are you aware of a situation where, during the course of this type of procedure, the patient vomited blood into the guard's mouth?

Dr Humphries: Yes, and I'm now talking about a different situation. I am aware of that. I was contacted immediately. We had to take the necessary steps in this situation. If we're talking about the same incident, the patient passed away. I contacted the local coroner. There was blood left over, and we had the blood from the post-mortem taken into the lab and checked. I shouldn't go beyond that for fear of breaking a confidence, but everything worked out fine.

Mr Callahan: Was the guard infected with AIDS?

Dr Humphries: No. Well, I will go the step further. It turned out that the patient who died was not HIV-positive, but nobody knew at that time.

Mr Callahan: I also have letters from inmates at Guelph Correctional Centre who claim some guards are openly hostile to them because the guards fear inmates who carry HIV and other related illnesses. I have a letter from a prisoner who writes that four guards decked out in helmets and special suits took a man from his cell to the hole because he was in pain. No one knew what to do with this inmate, who subsequently died of AIDS. He was put into a cell with no bed.

You've agreed with me this morning that these people are at risk in a correctional facility if they are identified as having AIDS. Would you agree with that?

Dr Humphries: I would say to you we have not had a patient killed as a result of AIDS, to my knowledge.

Mr Callahan: Are they kept in segregation?

Dr Humphries: Not according to the new policy, but they may be segregated for reasons other than AIDS. They may have other contagious diseases present. I do know of a case at Guelph CC, which did end up as a coroner's inquest so this is public knowledge. The individual had AIDS but also had hepatitis B as well; it was creating a lot of very difficult medical problems. This individual was in and out of hospital twice within almost a week of his death. He was in a very, very run-down condition. There may be the medical component, where the individual was placed in a cell by himself because of more than one reason.

Mr Callahan: In the letter from the fellow from Guelph, he reports that this young man had AIDS.

Dr Humphries: Perhaps I could clarify by pointing out that we have a special care unit at Guelph; as a result, most of our sickest sentenced individuals may very well end up there. We anticipated, and it's happening, that we are having more inquests there and will probably have more, because we do place our sickest individuals in that unit, plus we have 24-hour nursing and—

Mr Callahan: With respect, this isn't a unit. According to this letter, he indicated that this man was in pain, keeping the other inmates up at night. They made the order to place this dying man in a cell with no bed. Four guards decked out in helmets—this is what I just read to you—and special suits took this man from his cell to the hole that was only 20 feet away, and all because he was in pain. This was an AIDS patient.

In any event, I'd ask the ministry whether they've checked into the question of these significant sick days off that have been taken in various institutions by management and staff. Can you give us any indication of how many of those, if any, are related to stress and complaints about working conditions, having to work under this threat of serious illness? Is there any indication that that's what's caused this large number of days off?

Ms Noble: The circumstances around individual absenteeism in terms of what the specific issue was for an individual is not in any way on a computer system. We just look at the days and the reasons for absence. No, I can't give you specific information about these days and their relationship to stress, that level of statistics. If the question is whether days in the absenteeism would be related to stress factors, there certainly have been a number of different situations and circumstances where people have indicated that stressful working conditions are contributing to problems with the staff. As I was indicating yesterday, we're hoping to be able to work with OPSEU in particular to take a look at some of those issues in the project and study we're hoping to undertake.

Mr Callahan: Has there been a significant number of grievances filed by guards on this very ground, that they are concerned about safety in the workplace in terms of non-identification of people who have HIV in the system?

Ms Noble: I don't have the statistic, if there is one.

Dr Humphries: I believe I can answer that, because I usually get consulted by our grievance services administration when these situations occur. No, I really have not seen any related to that. I have seen one related to an institution in southwestern Ontario. This was the result of a person who tried to commit suicide, and the CPR and all, and that led to a fair bit of stress among some of our officers there. But I've not seen any other tied to that. Where I do see stress is that where we have a suicide or an attempted suicide, we often have to do a debriefing of our staff afterwards, and stress really does become apparent.

1530

Mr Callahan: Maybe I wasn't clear. In the grievances that have been filed by guards in correctional facilities all over this province, is there a significant number to the effect that they are concerned about working in an environment where they are potentially at risk of catching the spinoffs from people being HIV-positive, having tuberculosis and so on?

Mr McKerrell: No, not to my knowledge.

Mr Callahan: What you're saying then is that the guards in the facilities around this province are quite content with the fact that HIV-AIDS is not listed as a

disease which is—what's the term I'm looking for?

Dr Humphries: Contagious and virulent.

Mr Callahan: Yes. Are you saying they're quite content?

Mr McKerrell: Not at all. I'm not implying that. I was simply stating that to the best of my knowledge, based on the last time I saw the grievance stats, there were not a large number that I recall placing grievances because they were concerned about catching HIV in the workplace.

Mr Callahan: How about the spinoff diseases of tuberculosis and so on that people who are affected with this tragic disease are susceptible to?

Mr McKerrell: Any communicable disease. I don't recall seeing a large percentage of grievances attributed to staff concern about catching communicable diseases. After all, and I don't want this to be interpreted the wrong way, just as we don't know who among the inmate population may have some of these diseases, we don't know in the staff either. Some of these diseases are attributable to lifestyle, and we have no way of knowing who may have what, just as if you walk out of here and catch the subway on University Avenue, you don't know what the person you're squeezing against in the rush-hour may have.

Mr Callahan: Yes, but I'm not required to work on the subway. This is a working-condition situation for these people.

Dr Humphries: Tuberculosis is an excellent example. If you go into the transit and somebody coughs all over you, they may or may not have tuberculosis and you may not know until you truly have it and start to cough and have blood, sputum etc. But if that individual comes to us, every one of them, unless they're already known to be positive, gets a skin test, so within 48 to 72 hours we know if somebody's positive.

Mr Callahan: Are you talking about guards?

Dr Humphries: No, inmates. If an inmate comes in and within 48 to 72 hours we pick up that that individual is positive—

Mr Callahan: How do you do that? Is that on a voluntary basis?

Dr Humphries: No, because it's under the contagious disease act. That's our policy.

Mr Callahan: You're talking about tuberculosis.

Dr Humphries: Yes.

Mr Callahan: But you can't test for AIDS at that point.

Dr Humphries: No, but you were mentioning the opportunistic diseases. As a ministry, we try to be right at the leading edge of those things. If the TB guy comes in, we can usually pick him up within 48 to 72 hours, then we can contact the correctional officers who had contact with him and the other inmates, do the necessary testing and do prophylaxis if needed.

When I say we're trying to keep up with this, we're now aware of the new resistant tuberculosis that you're probably aware of. That's because incomplete treatments have taken place in the past because people stopped taking their medication, and with the AIDS people, you get treatment but it carries on and it doesn't quite do the job. What we're finding is that although it's called resistant tuberculosis, it's not totally resistant, and where the first three drugs used to work, now out of 12 we might have to use numbers 9, 10 and 11 or something of that nature, which we're doing now.

We've brought in a whole brand-new tuberculosis policy to address all these new factors, including two-step testing, which hasn't been done in the past. What that means is that if a person comes in with AIDS he or she may not show a positive test because there's not enough immunity to respond.

Mr Callahan: That's assuming you're using the old tests. If you took up the tests that apparently are available from Japan, you'd be able to test—

Dr Humphries: But that's the AIDS. I'm talking about the resistant TB. What we will do now is a two-step test when indicated. We give one and then we'll repeat it within 7 to 21 days later and that will bring out the positivity if there's not enough immunity to do it properly with the first test. These are all brand-new things we've brought in.

Mr Callahan: My time is up, unfortunately.

Mr Jordan: A couple of quick questions relative to that. What's involved to have this virus changed from grade 22 to 35 or whatever?

Dr Humphries: That's Ministry of Health legislation, so it would require moving it from one particular section in the act to a separate section within the same act. It would mean the Ministry of Health would have to open up that act and make the necessary change.

Mr Jordan: But there are some advantages of doing that, are there not?

Dr Humphries: There are some definite advantages, one or two of which I've mentioned, but there would be a horrendous reaction from many of the social activist groups and all working in those areas, because we're all committed to confidentiality. That's very important, especially in this particular disease, so it's a real balancing act.

Mr Jordan: Do you see a heavy social reaction to it?

Dr Humphries: Yes, because you're in fact infringing on people, and you may identify somebody as being positive for AIDS who doesn't wish to be identified, who's handling himself properly and doing his best to live a quiet, normal life and keep his family out of the spotlight. If you force a test on him—

Mr Jordan: And by reclassifying the virus, you would be able to force that?

Dr Humphries: Just as with tuberculosis and things like that, the medical officer of health for a community could make judgemental decisions on the wellbeing of the community. I'm not suggesting they would go and identify that Joe So-and-so has a problem, but that possibility is there if it were going to become a communicable disease that could affect the community with opportunistic diseases. It could build into it. There's a whole argument that goes both ways.

Mr Jordan: You see it as something that is going to take place eventually.

Dr Humphries: I'm not sure. That's Ministry of Health legislation, and I really don't know. You see, there was a suggestion at one point that, like leprosy, maybe they should be placed on certain little islands, and that was shot down very, very quickly.

Mr Jordan: To the assistant deputy minister, I understand that as ADM of the operations division, you are based out of North Bay.

Mr McKerrell: Not now. In Toronto.

Mr Jordan: So you're not based out of North Bay. I realize that you're in Toronto, but—

Mr McKerrell: No, the office of the ADM, correctional services division, is located in Toronto. That's for the administration of the division, and there is a part of the office located in North Bay that looks after the communications and management of information services approximate to the operational support and coordination branch.

Mr Jordan: Then you keep some of your staff in North Bay.

Mr McKerrell: Yes, there are some staff in North Bay and some in Toronto.

Mr Jordan: Do you see this as causing an increase in cost?

Mr McKerrell: No. In fact, it probably cuts costs in terms of a bit less travel on my part between North Bay and Toronto.

Mr Villeneuve: In the same vein as my previous questioning when I ran out of time, the former Ontario east regional director was suspended for one year with pay. How many acting regional managers did you have before nominating the permanent one?

Mr McKerrell: We had three people.

Mr Villeneuve: Who were acting regional managers for the east?

Mr McKerrell: Let me think. Yes, three of the other regional directors acted for periods of time, and then I had the regional manager—that's the regional manager in Kingston—act for a period of time until John O'Brien became the new regional director.

1540

Mr Villeneuve: Mr O'Brien, who's here. Was there any reason for that number of acting people? We're led to believe there were some costs incurred here which may not have been needed.

Mr McKerrell: The situation that took place was a concern in the regional office itself. In order to provide the kind of direction and leadership I felt the region required during that very difficult time, I decided that rather than using one of the regional managers, I wanted to have someone who had the experience of being a director. I used different individuals who were already directors to provide the leadership in the regional office during that very difficult time. When we began it, we had no idea it would take as long to complete the review and investigation as it did. That's why I had to rotate people through, because it was a burden on people's family life and other responsibilities that had to be carried out. For that reason, I rotated among the other directors of the division.

Mr Villeneuve: So there were some additional costs, but you feel they were well warranted because you wanted the leadership in place prior—

Mr McKerrell: I do indeed. It was a very difficult situation for the division, a very difficult situation for the eastern region. I think all of the senior people in the eastern region found it a very traumatic situation to deal with. It was critical, in my view, to have strong leadership in the regional office throughout that period, and that was why I choose that option.

Mr Villeneuve: I gather, under your title of assistant deputy minister, you have what's known as a clothing committee. Could you tell us what that is.

Mr McKerrell: Sure. The correctional services division has in essence a standing committee called the clothing committee. It consists of members from both the bargaining unit and management, and it has existed for years and years. It meets periodically as issues need to be considered with respect to the clothing that uniformed staff wear. They consider issues such as quality, style, the nature of the fabric, the comfort, are things wearing out too quickly etc.

One of the issues that has been debated for years is the style of the uniform, the nature of the uniform. There are uniformed staff—correctional officers we're speaking about here—who do not like the current uniform, have not liked it for years and would like to have a different type of uniform. It's an issue of whether we go to a more paramilitary type of uniform or whether we go to a less militaristic type of uniform. This is an issue with other correctional jurisdictions as well in this country and others around the world.

The current uniform is a blazer and slacks, and there are those who would prefer to see a so-called Eisenhower jacket, a bomber type of jacket which is more militaristic. There are some legitimate reasons that would be more convenient in terms of some of the equipment officers have to carry, but it also carries with it certain connotations that we don't necessarily want to reintroduce into the correctional system. The uniform used to be militaristic many years ago, and we moved away from that. Indeed, other jurisdictions across the country have been moving away from militaristic uniforms to the more casual style of blazer and slacks. Most recently, Correctional Service Canada has moved back to having a more casual style of blue blazer and grey slacks, and the government of British Columbia just in the last couple of years has similarly moved to dark blue blazer and grey slacks.

The clothing committee has looked at this issue for years, and it keeps coming up. I believe yesterday Mr Runciman asked whether there a new uniform is going to be introduced. The flat answer is no, we're not going to introduce a new uniform at this point in time.There is a prototype floating around, which I haven't seen yet. A mock-up was made, and there was an estimate that if we were to go for a new uniform for all of the uniformed correctional staff it would be $1 million-plus.

When there was a request to look at a different style of uniform, the first thing I said was that it can't cost any more than we already—we spend a certain amount of money every year anyway for a uniform. The way other jurisdictions have done it is usually that you phase out what you currently have and then the money you're spending you simply spend on the new style. I have no problem considering that type of approach, but I prefer to look at something that would cost less money than the current outfit and not incur costs, increase expenditures for the provision of a uniform.

Mr Villeneuve: Does your clothing committee have a budget?

Mr McKerrell: No.

Mr Villeneuve: So it's simply out of operating funds, if someone needs to visit some other jurisdiction or whatever.

Mr McKerrell: I've had no requests from the clothing committee to go and look at other jurisdictions. I would probably not agree to that, if one were to come across my desk. I have a video in my office provided by Correctional Service Canada that shows some of their staff modelling the uniform. If somebody wanted to look at it, I'd be quite happy to provide them with that, rather than send the clothing committee hither and yon.

Mr Villeneuve: Corrections Canada works closely with corrections Ontario. There's a rumour that several million dollars is owed Ontario by Correction Services Canada that's not collected. Is that a fact?

Mr McKerrell: It's possible that they haven't paid their bill yet for—and it may not be the case; I don't know. We have a contractual arrangement with the federal government to house offenders who are awaiting transfer to federal penitentiaries, once they're sentenced by the court. We keep them for a brief period at our expense once they're sentenced, and then they're transferred to federal penitentiaries. If the federal institutions are not ready to receive them, they pay us a per diem for keeping the individual with us.

There's a billing period: We save it up and send it periodically. I can't remember whether it's quarterly or every six months, so it could be that someone's referring to that. Maybe the last quarter or the last six months hasn't been received yet. But it would be something of that nature, unless we're talking about the freezing of transfer payments for YO, which is a whole other ball game.

Mr Villeneuve: What is the per diem paid by the federal government?

Mr McKerrell: It's worked out on the basis of all the institutions we have in the province and a few factors added in for transportation and so forth. If you want to know it, I can get it for you; I don't have it off the top of my head.

Mr Villeneuve: Is it close to what the auditor has established as the cost of incarceration per day?

Mr McKerrell: Let's say that it's more than the feds would like to be paying.

Mr Villeneuve: Is it close to what it's costing us?

Mr McKerrell: Yes, it covers our costs.

The Acting Chair: Mr Mills is next.

Mr Mills: The first thing I want to talk about is that yesterday we had quite an extensive discussion in this committee about sick credits and their alleged misuse. We established at that time that this hasn't suddenly happened, that it was a problem when the Conservatives formed the government and it was a problem even when Mr Callahan and the Liberals formed the government. I have heard nothing in this committee from anybody or any source that suggests that the impact of AIDS or HIV or whatever you want to call it is somehow cause for a greater increase of sick days or the alleged misuse of those sick days. I want to put that on the record. I haven't heard anything, though your line of questioning suggested that there was a problem.

1550

Mr Callahan: You haven't heard anything to the contrary.

Mr Mills: I haven't heard anything to suggest that.

Having put that on the record, I'm going to go back to my line of questioning. I'm trying to enlighten the public through this presentation about some of the concerns contained in the auditor's report.

To my way of thinking, the public is very concerned about security of inmates and who gets away. We've already covered the infamous cook episode, but if I'm correct, the fact is that the escape ratio for the province of Ontario is 0.2%. It's in keeping with the rest of Canada.

Having established that, as the auditor reported instances of non-compliance for security policies and procedures and they should be followed up, this begs the question, what is being done at the moment to improve security within corrections in Ontario?

Ms Noble: As we indicated in our response to the auditor, we have increased the cycle from every second year to once a year for doing the security compliance reviews of each of the institutions, and we're also putting in place and implementing a committee structure to monitor the results of those compliance recommendations to ensure that they are followed up and appropriate actions taken.

With that as a general statement, I'll turn it over to John for more detail in terms of the specifics.

Mr O'Brien: The Ontario system is a very secure one. It's an area of great pride to our staff that we want to be better than the other provinces. Our security is aimed at being perfect, but we know that within corrections there is an inherent risk and things do happen. But to reinforce the need for continued vigilance and increased vigilance, as pointed out by the Provincial Auditor, and greater compliance with policy and procedures, in February of last year Mr McKerrell, our assistant deputy minister, wrote to all of the regional directors with his concerns in this area and asking that greater attention be placed on this area.

At that time, a self-assessment checklist was provided to all institutions so they are not relying solely on our annual security reviews but rather have their own staff do

essentially the same work. Until that time, security reviews were done every second year. The frequency has been increased to annually, so all institutions are viewed with an outside look by an expert in security. In many ways, this parallels having your car inspected. You know that the car is running well and everything seems to be pretty good when an experienced mechanic will find a variety of things which are wrong, which are very helpful to put right.

In March 1993 a senior committee was established to review security policies and issues and made a number of recommendations, including the establishment of an ongoing advisory committee in this area. They also recommended that a technical standards committee be established—that is in process—and that an inventory of staff knowledgeable in this area be developed.

Subsequent to that, the operational review and audit branch has begun trend analysis work on security issues. A special committee on community escorts is continuing work on that very important high-risk area for us. Preliminary work has started on a technical security manual, and in October of this year the assistant deputy minister wrote to all regional directors clarifying responsibility for security policies and the enforcement of compliance. Most recently, a small working group has been established to develop a technical security manual. This increased emphasis, we're sure, will make Ontario an even more safe working environment.

Mr Mills: Having been in my life familiar with what I call standard operating procedures or standing orders, it's my understanding that this manual really amounts to being a standard operating procedure that will be distributed to every correctional facility so we have the same set of guidelines, the same set of rules to run by, wherever it is in Ontario. Is that the objective of this manual?

Mr O'Brien: I should explain it in a little detail. We have very extensive policies and procedures and guidelines on the area of security which are second to none in the correctional field. They've all been updated in the last several years. They are constantly updated as security problems arise. It's something we're very proud of. What has been recommended here, and what I was referring to, is a technical manual. The existing manual details policies and procedures and how things are to be done. The technical manual will deal with specifications for security hardware, construction of buildings and so on.

Mr Mills: So that technical manual is quite opposite to how people conduct—it's about locks and the specs for the thickness of steel and all that sort of thing.

Mr O'Brien: Yes. We're confident that if the policies and procedures which we have in place are adhered to, the security breaches will be minimal. However, to strengthen that, we are going to insist that locks, for example, be standardized and so on.

The Vice-Chair (Ms Dianne Poole): If I could interrupt for one moment, the auditor has a comment on your line of questioning.

Mr Peters: I would like to refer back to your introduction of this topic. At the top of page 168, we have clearly indicated that "Ontario statistics of critical incidents, such as escapes, homicides and suicides, are comparable to those of other provincial jurisdictions." We did not indicate—

Mr Mills: I think I said that. I think I said we are on a par with everyone else.

Mr Peters: That's right. Furthermore, we had also indicated that the ministry had recently taken steps to deal with those security deficiencies. I just wanted to put this on the record.

Mr Mills: My last point is—and perhaps my colleagues have something to add to this discussion—recognizing how very proud you are of your record in corrections, obviously things do happen. My question is on behalf of the public, which wants to know, what are the consequences when things go wrong? How do you deal with this with your staff? Would it be fair to ask that?

Mr McKerrell: Sure. Let's say an escape happens in an institution; perhaps we can use one of the examples the auditor referred to in his report. I think it took place at one of your institutions, John, the incident where the person escaped twice.

1600

Mr O'Brien: Yes. Perhaps I'll explain that incident, because it does illustrate what goes wrong and how we respond to it. It's a little embarrassing to see that an inmate escaped twice in a four-month period, and that was from a maximum security institution. What happened was that the inmate was in our exercise yard and hid.

Mr Mills: Hid?

Mr O'Brien: He hid, yes. There was a portable toilet and he hid in that. Staff who were counting the inmates as they returned from the yard miscounted and didn't account for him. As soon as the inmates return to their living areas, they're counted again, and that count was not done. The inmate wasn't noticed missing until another routine count about an hour and a half later. He had managed to scale a 12-foot wall and left the property of the institution. He was recaptured by the OPP 12 hours later. Discipline was taken against three staff who failed to comply with proper procedures at that time. Of course, the inmate was found 12 hours later. He was returned to us again.

By coincidence, he was using a telephone four months later and he leaned against a door which went out into the same yard. The door was equipped with an electromechanical lock which can be unlocked from a control room in the event of fire. That lock had filled with rainwater and failed. He leaned against the door, fell out the back and found himself in the same yard, almost in the same spot he from escaped before. He went over the same wall, but although he committed a prison breach, he never got off the grounds of the institution. He was captured by the staff within 10 minutes.

I think staff learned something from the first occurrence, and that first occurrence was the first escape from that institution in more than 15 years. Since that inmate escaped a second time, which was two and a half years ago, we've not had another escape.

Mr Mills: I think that's a pretty good record.

Mr McKerrell: My point in asking John to relate that to you is to indicate that we do learn from these mistakes. When there is a breach of security, whether it's from inside one of the institutions or someone escaping from an escort into the community to a hospital for an X-ray or something like that, each incident is investigated very thoroughly and we learn from the mistakes and take corrective action, whether it's to procedures or to staff.

Mr Mills: I remember personally escorting a prisoner to Valcartier and the fellow jumped off the train when it was estimated to be doing about 60 miles an hour. These things happen. I can appreciate that and understand that staff are not always absolutely responsible for what happens, although perhaps the public tends to be critical, not knowing the full story. I appreciate hearing that.

Mr O'Connor: Some of these institutions are extremely old. If the stories could be told of some of the things, it would almost sound like a comedy of errors. Though the staff do try to do their jobs as properly as they can, things happen; for whatever reason, incidents do happen, and we can learn valuable lessons from that.

Knowing that the auditor was somewhat critical and that the ministry is trying to evaluate some of the situations the auditor has pointed out to us, security procedures and what not, I wondered about some of the facilities that are operated by a sister ministry, Comsoc. Would you share then some of the changes or protocols you might be talking about? Is there a way the two ministries then share? In the line of the operation itself, some of that actually would be somewhat mutual. I wondered if you'd share the procedures you've changed and outlined and improved between the two ministries.

Mr McKerrell: There's certainly consultation between Comsoc and ourselves, and Health and ourselves, among the parts of the organization that operate institutions. Their institutions don't require the degree of security that some of ours do, so some of the procedures wouldn't apply. But where there's applicability, there's often discussion among the staff of these sister ministries and sharing of information, but they would not use any of our procedures, just lift it holus-bolus and transform it, given that their operating requirements are somewhat different from ours.

Mr O'Connor: In situations where there may be inmates who are in transition from one facility to another or going through a court proceeding and not knowing where they may end up, they could end up in a facility operated by the Ministry of Health or something. Up to that point, you don't know exactly where they're going. Would it be similar or is it all done through the Ministry of the Solicitor General and Correctional Services, all the procedures up to that point?

Mr McKerrell: If the person is on remand and in custody, then they are with corrections. If they get ill and have to be hospitalized in a community hospital, then we provide correctional officers for the supervision of the individual in the community hospital, unless the person is totally comatose and not in a position to run away. That happens rarely, so in the majority, 99.9% of community escorts, the individual has one or two correctional officers depending on the degree of security concern that we have.

Mr O'Connor: In closing, we heard about cooks taking care of them. I guess you wouldn't have any cooks going to the hospitals to take care of those.

Mr McKerrell: No, the cooks look after the inmates who are working in the kitchen and the maintenance people look after the inmates who are working in the maintenance shop. Both the cooks and the maintenance mechanics get what we call a custodial responsibility allowance. They get a bit more money in their pay packets for the responsibility of supervising these people when they're in the workplaces.

Mr O'Connor: And adequate training as well?

Mr McKerrell: They get trained in the institutions for the custodial responsibility.

The Vice-Chair: Just before we go into the final round of questions, which will be 15 minutes per caucus, I wanted to remind members of the arrangements for tomorrow. We will be going to the Toronto Jail. The bus or transportation will be leaving at 10 o'clock at the main doors. Could members ensure they're there at about 10 to 10 so we can be loaded and ready to go at 10 o'clock. If for any reason your plans change and you are not coming, could you please notify the clerk's office first thing in the morning so we're not waiting for members who are unable to come. That would be very much appreciated. Now we'll start the final round of questioning with Mr Callahan.

Mr Callahan: I was looking at the public accounts for 1992-93 and I saw a couple of items in there. You have doctors who are on contract, I guess.

Mr McKerrell: That's correct.

Mr Callahan: I came across a Dr William Johnston, $147,369. Any idea who he is? Is he on staff?

Mr McKerrell: Dr Humphries can answer that. We only have one physician on staff and that's Dr Humphries.

Mr Callahan: You've got your hands full. Dr William Johnston, I note in the past public accounts, $147,369. That seems to be a fairly hefty amount for what I would presume is part of his time, not the totality of his time.

Dr Humphries: To begin with, Mr Callahan, he's a specialist. He's a psychiatrist. He's involved in providing substantial coverage within the Metro institutions. As well, when we opened the Northern Treatment Centre in Sault Ste Marie, there was only one full-time psychiatrist in the area, Dr Albert Gyimah, who was responsible for a population of approximately 80,000 people. Dr Gyimah was already giving us coverage under a contract at the Sault Ste Marie Jail. I asked him if he could give us coverage at the Northern Treatment Centre as well. He indicated he'd try to help but that he was planning on leaving Sault Ste Marie. He subsequently did that summer, leaving essentially no full-time psychiatrist there. Dr Johnston very graciously agreed to fly into Sault Ste Marie and assist us through that process.

They still only have one full-time psychiatrist there, Dr

Henry Leung, who has just recently arrived in the area. We have signed a contract with him for April 1. We've terminated the contract as of March 31 with Dr Johnston for the Northern Treatment Centre, so it's a combination.

1610

Mr Callahan: Do you have a total figure of what psychiatric services are provided to inmates in the correctional facilities in this province?

Dr Humphries: Yes. Our total contracts for physicians and psychiatrists across the ministry is $3.3 million. Now, that's physicians and psychiatrists and that's significant, because for that service we get a physical examination done on every one of our 86,000 admissions per year, we get 24-hour emergency coverage seven days a week and we have psychiatric coverage available in all of our institutions. I can break it down.

Mr Callahan: No, that's all right. I was interested in the psychiatric, but you've already told us that 15% of the inmates in these facilities are suffering from some type of psychiatric problem.

Dr Humphries: It's $1.9 million for psychiatry.

Mr Callahan: Right. We also have Greyhound Lines of Canada Ltd: $160,080. Who's going where?

Mr McKerrell: Greyhound or Gray Coach?

Mr Callahan: It's got Greyhound Lines of Canada Ltd: $160,080. That's a long trip.

Mr McKerrell: Yes. I imagine that is for the maintenance of our transport coaches. We've got five highway coaches for moving the offenders around and they're garaged and serviced down on the Lakeshore at the Greyhound place. I imagine that's what it would be for.

Mr Callahan: I see Burns International Security Services: $64,049. What would that be? Are these security guards you hire?

Mr McKerrell: The Bluewater Youth Centre has a perimeter security gate which is staffed, and has been since the place opened years ago, by one of these security services. That's the only thing I can think of.

Mr Callahan: I'd like to go back to the question of the workplace environment and safety in the workplace. I actually have what I guess would have been a question that was put on the order paper with a reply. It was an inquiry of the Ministry of Health. "Would the Minister of Health indicate, in light of recommendations from the chief medical officer of health some two years ago and concerns by employees in the Ministry of Correctional Services, what consideration Ministry of Health has given to recategorizing the HIV virus from section 22 to section 35"—that's from voluntary checking to mandatory checking—"of the health protection act of 1983?"

The response was: "In January 1990, the chief medical officer of health, Dr R. Schabas, recommended to the then Minister of Health that AIDS be designated a virulent disease under the Health Protection and Promotion Act. There was considerable public controversy and no further action was taken. Employees in the Ministry of Correctional Services have concerns about acquiring AIDS occupationally even though there is no documented evidence worldwide of this ever having happened. The ministry has ongoing education programs to address the employees' concerns. Currently, there is no consideration being given to the recategorizing of AIDS/HIV."

That was signed by the Honourable Ruth Grier.

In light of the difficulties that appear to be present in correctional facilities and the type of risk that guards might be exposed to, in terms of an altercation or some relating of bodily fluid, Deputy Minister, do you have any indication or would you be prepared to support, at least for correctional purposes—I'm not suggesting that it be done for the general public, but there is a situation that when people are deprived of their liberty there should be certain requirements, particularly if they're living in very close quarters. With some of these old jails they'd be almost back to back, I would think, if the jails were heavily populated. Would you consider recommending now that HIV testing be placed under the virulent definition and that mandatory testing be required?

Ms Noble: As we've heard in terms of discussion from Dr Humphries, I think the question of supporting it under that particular piece of legislation involves dealing with the question of whether AIDS definitionally falls within the scope this act was intended to have. I think one of the issues, and I'm obviously not a medical professional, to be considered, at least as I have listened here today and talked to Dr Humphries, is the question that AIDS is not infectious and communicable in the same sense as the other diseases that are currently listed.

I would have to have much further discussion in terms of the provisions of that act. I'm not familiar with it in the sense that it is a Ministry of Health piece of legislation. I would need to have a greater and more in-depth discussion of those parameters.

If we're looking at it from the point of view of mandatory testing within the institution, we've heard here in these discussions, and Dr Humphries has indicated his sense of responsibility in terms of following up on what may be emerging as new testing capacity, but right at the moment what we're very much dealing with is what we have presently. I think under the present circumstances, we need to be looking at and implementing the policy we currently have in terms of making sure that our staff are acting and trained and able to function in the facility, and as Dr Humphries indicated yesterday, not thinking that by virtue of mandatory testing somehow they're safe because they know sort of who's there and who's not.

In terms of the question you're asking, am I prepared to recommend changes to that legislation? I would say I would need further information and discussion. In terms of mandatory testing, further information is needed with respect to what has been raised in these proceedings as emerging medical technology.

Mr Callahan: Could I ask the good doctor, you don't get leprosy by touching someone, do you?

Dr Humphries: Well, it is very contagious.

Mr Callahan: My understanding was that it perhaps was in a similar category, but you're saying leprosy is contagious.

Dr Humphries: Yes.

Mr Callahan: Like if you had leprosy and I shook

your hand, I'd get leprosy.

Dr Humphries: I'm not suggesting shaking my hand, but a mixture of body fluids or anything of that nature.

Mr Callahan: Right, and that's precisely the analogy of AIDS or the concerns of people. You don't get it through shaking hands, hugging or whatever. Contrary to popular belief, these people should probably be hugged a lot. But you do get it by a transfer of some type of body fluid, be it saliva, sweat, any type of bodily fluid.

Is that not a similar situation to leprosy? Why is leprosy under the virulent section of the act and we're not prepared to look at AIDS as that? At least, it hasn't been looked at, at the moment.

Dr Humphries: We're talking about a very different organism here; in fact, an organism to which you can now apply treatment in this day and age, but in earlier times a more resistant organism, a more prevalent organism in the various tissues, the various juices of the body, if one may say that. We still don't feel that you could get AIDS from tears. There's no suggestion you could get it from saliva, questionable about urine, whereas your leprosy situation is more prevalent and more virulent throughout those kinds of fluids.

Mr Callahan: Is leprosy a disease from which you would expire eventually?

Dr Humphries: In former days, yes.

Mr Callahan: Not any more.

Dr Humphries: No, not any more.

Mr Callahan: But AIDS, unfortunately, at this present time in our history is a disease for which there is no cure.

Dr Humphries: Right, but I should point out something, and I haven't done it and it's negligence on my part. No matter what tests we might do or not do, in an altercation or coming in contact with a body fluid or a needle pick, and we've had two of those in the past year and a half, we would still respond the same until we knew unequivocally what was happening.

1620

There's nothing in the literature that states that if you get a needle pick or somebody bites you etc, you can do something that will guarantee you won't get AIDS. However, what's accepted throughout the community is the drug azidothymidine, AZT, which seems to be the only thing that has been used in these regards. It's been used by researchers and others, that if you do come in contact with it, you actually go on AZT immediately and carry it on for six months, nine months, 12 months.

We have had two needle picks, and one was a very real one and one was definitely with an inmate who had AIDS and we knew it. We knew it because I knew him as a young offender, even though that knowledge can't go across. So when I heard about the needle pick on a Friday afternoon, we went into high gear and we started the nurse who did it on the AZT. It's a horrible drug. You get sick and night sweats and it's horrible, horrible, but she went on it. She wouldn't mind my saying it because she's given me permission. She was at the Guelph Correctional Centre, and we've carried her through now to approximately 15 months and she's negative, so we now have no concerns. But we would do that with or without the mandatory testing.

Mr Callahan: The final question I would put to you, Deputy Minister, is that in light of your answer to my question about whether or not it would become government policy that people coming into institutions would be mandatorily tested as a result of being put under the virulent disease section, would you at least consider to be a reasonable approach that for the safety of these people who have AIDS, and the fact they require a particular type of treatment, they would be placed in a facility that would be more amenable to their medical requirements, safer for them, and at the same time perhaps you could give a little relief to the guards who are required to work in this situation?

Whether their concern is real or imagined, that causes them great concerns. I would even say the suggestion for people who are mentally ill, who are suffering from mental disorders. What the devil are they doing in a correctional facility, which is really there for people who offend because they are anti-social? I would hope that would be looked at. There are certainly facilities available that could be made exclusively for that particular type of person and give them more humane treatment and more dignity in terms of the way they were treated.

Ms Noble: In terms of the issues you're raising, essentially they both come back to ongoing working between the Ministry of Correctional Services and the Ministry of Health. As we've had discussions over the last couple of days, we have at various points commented on some of the work that is ongoing in the area of the mental health, mentally disordered offenders.

We very much support and are committed to that work and to that discussion and to working out with the Ministry of Health how we best deal with those individuals, not just as those who are already in the justice system but also the broader discussion as Health undertakes its review of mental health services, what it needs to have in place in terms of serving the general population and meeting the needs of the general population.

Hopefully, in the work they're going to be doing and coming forward with, they will be addressing some of the concerns about people that may have an impact in terms of those who end up in the justice system.

In terms of the question about those who are HIV-positive, I think at the present time we do deal with them depending on their state of health. For those who do need the kind of health treatment that would require them to be in settings other than ours, we make sure that happens for them. There are others who may be HIV-positive and who do not need special facilities. They are basically quite able to function, and able to function in our facilities. On the question of whether everybody who's HIV-positive should be placed somewhere else, I don't think the circumstances currently would suggest that that is necessary. Certainly, as I said, for those who have severe health problems, we work with the Ministry of Health to make sure they are addressed.

Mr Callahan: They are at risk, though, as the doctor has said. Probably the logic behind not identifying them

specifically is that they're at risk in a correctional facility. They're probably the first people to be treated badly by other inmates, perhaps to the extent of serious injury.

In any event, I think my time's up.

The Vice-Chair: I think you're absolutely correct, Mr Callahan, and we'll go to the Conservative caucus.

Mr Callahan: That my time is up, or what I've just said?

The Vice-Chair: Well, hopefully not your time is up, but it is time to go on to another questioner.

Mr Villeneuve: Back to some concerns that were expressed to some of our members. It's got to do with the manager residing in Sudbury and yet travelling and managing an incarceration facility in London on an acting assignment. There's a little bit of variation on this. We have someone who is in Sudbury currently who returned from another assignment and is currently classified, or is currently qualified, I guess, to fill in behind a position that was left empty when Mr Page was asked to take on this project.

There is a degree of expense involved in this. I have a memo on my desk at the moment from Mr Page with some recommendations on this very subject, and it's going to be the point of a discussion between he and I on Friday when we're finished here.

Mr Villeneuve: It's been suggested that you have some managers on site at basically the same level who could be doing it, as opposed to having someone commute from Sudbury.

Mr McKerrell: There are people at the same classification, but not people who are regional managers. The person who is actually doing the job is a regional manager by classification and is doing the same work that he was doing before. I would have to put someone into the position from the London area, or from southwestern Ontario, who is not classified as a regional manager.

Mr Villeneuve: These are management decisions strictly. Are there any other implications or pressures, or are they strictly management decisions based on someone's opinion?

Mr McKerrell: I guess, to put it in blunt terms, it was my decision. When I took Mr Page to coordinate this renewal project for me for the division, my first choice really was to try to do it without back-filling him. But when we collapsed the fifth region, when we had five regions and we eliminated one, the western region expanded by 50% and the workload was such that when we looked at it, it just was not good business, frankly, to operate with one senior manager fewer.

There's a regional director and two regional managers, one for community programs and one for institutional programs. In taking Mr Page out of there, the gentleman who is the regional manager for institutional programs is acting as the regional director for the duration of Mr Page's assignment. It was in behind that individual that I took the person from Sudbury, who also has an institutional background.

1630

Mr Villeneuve: Going now to the superintendent and the management of jails, I understand on the temporary absence program that this is a decision by the superintendent and his people within the jail and not by court order or by judicial decree. What latitude would a superintendent and his advisers have in granting a temporary absence program?

Mr McKerrell: The temporary absence certificate, which every inmate leaving the institution during the currency of the warrant must have, is signed by the superintendent. It's the superintendent's authority, the superintendent's decision.

If a judge in sentencing a person is persuaded by counsel or the offenders themselves that participation in temporary absence would be a good idea, the judge can recommend that. They can recommend it in one of two ways: They can simply say, "Recommend the temporary absence program for so-and-so," or they can say, "This person should be on the immediate temporary absence program."

The immediate temporary absence program is an arrangement that we have with the judiciary here in Ontario such that we will get the person out within 24 hours, subject to a couple of conditions. One is that there's no outstanding charge that would be of concern. If the person's on remand on a charge, that's another matter, but as long as there's no outstanding charge that would concern us, then that's another matter—sorry, when I say remand, I mean on their own recognizance—as long as there's no outstanding charge.

The second factor is that if it's for employment, education or whatever the specific purpose is, we check to make sure that the purpose is valid. If a person claims to have a job, we check and make sure they have a job. If those conditions are met, then the person's out within 24 hours.

If it's a regular temporary absence, then there is a more detailed evaluation of the application. The person comes into the institution, fills out an application and says, "I want to go on temporary absence to do X, Y or Z. Everybody has the right to apply, by the way.

The individual offender has the responsibility for providing the information to support the request. If they want to go to work, they have to get a letter from the employer saying they have a job to go to and they're welcome and so on and so forth. Similarly, if they want to go to school to pursue education, if they're in high school perhaps, or even university, they have to provide proof that they are enrolled. Those circumstances have to be met. There are checks that would be done with police forces or with the judiciary.

Once all that information is gathered together—presentence reports would be considered—all of those things, if it still looks like a good idea for the person to go out, then the information would be placed before a committee. The committee would consider it. In most places it's an informal committee which is pulled together as required. The committee will look at it and say, "Yes, it's a good idea that this person go" or, "No, it's a bad idea."

Then the decision is reviewed by the superintendent.

The superintendent will either agree and accept the recommendation of the committee or will reject it, for cause. The person can appeal these decisions. If the superintendent agrees to put the person out, it is the superintendent's responsibility.

When something goes wrong, when someone's on a temporary absence, the circumstances are reviewed and the decision is evaluated as to whether all the factors were properly considered. There are no guarantees. You can't be 100% sure of anything. There's a degree of chance when you put someone out. Will they reoffend during the period of the temporary absence? If something goes wrong, we look at the factors that were taken into account and, "Yes, this was a good decision," or, "No, it wasn't a good decision," and it goes from there.

The discretion, the judgement as to whether a person is placed on temporary absence, rests with the superintendent.

Mr Villeneuve: Do you feel it's working reasonably well and accomplishing the goals? Rehabilitation, I guess, is what this is basically all about. Do you feel it is accomplishing those goals or is it creating problems?

Mr McKerrell: We believe the temporary absence program is very effective and has been since its inception. Our superintendents are very cautious, whether the person is being placed into a community resource centre or whether it's into a program where they go back and forth from the institution on a daily basis.

The success figures for participation in the temporary access program are very high. In 1992-93, the success rate was 96.7%, and by success we mean successful completion of the program, not reoffending in the criminal sense but also not breaching any of the conditions of the temporary absence pass. The previous year it was 96.9%. As we go back, it was over 96%, 95%, 95%, 96.9%, and that's going back to 1987-88, so the success rate is very high.

There's all due regard for caution and safety. We believe the program is helpful in the rehabilitative context because it provides the opportunity for offenders to retain employment and then contribute money to the support of their families or to save money, as the case may be, or both. It gets people into educational programs, perhaps for a first time, but usually to continue educational programs in progress. We believe it's very helpful to rehabilitation.

Mr Villeneuve: In view of that success rate in the mid-90s or upper-90%, the auditor seems to feel that proportionately Ontario has fewer people within this temporary absence program and that possibly we could be testing more of the people who are incarcerated. With that kind of success rate, is that being looked at?

Mr McKerrell: Yes. We quite frequently in fact discuss ways in which we could expand the program, but as the deputy mentioned a little while ago in talking about the probation statistics, we already have such a very large percentage of people on probation that it reduces the pool of candidates, if you like, who are coming in our doors.

When you take a look at the people who are available, and again, we're talking only about the sentenced population here, in a sense everybody's vying for the same good inmate. You want inmates to work in the kitchen and for the laundry, and the person who's responsible for the TA program is looking for those individuals as well. The teachers want good, interested offenders for their school programs. All of these programs are vying for the same good offender.

It ultimately is the offender's choice to apply or not to apply. If individuals are happy to be in a program where they are learning a trade or upgrading their education or perhaps participating in a treatment program of one sort or another, then they may not want to leave. They may prefer instead to wait until they're eligible for parole. There are a whole range of factors that come into that.

We have also considered whether we should be looking at a different category of offender to place into our community resource centres. We're not at that point yet, but it's certainly under consideration.

Mr Villeneuve: It may be only lipservice, but we understand that a lot of the people who work within the system are making suggestions to render the total operation of our jails more economically viable, that this is being monitored and in many instances the suggestions from the people onsite are being put into action. What's happening in that area?

Mr McKerrell: What you're referring to, I think, are the productivity committees that are currently in progress.

Mr Villeneuve: Yes.

Mr McKerrell: We have a lot of suggestions. In fact, I think 2,000 suggestions at this point have come forward from staff in the Correctional Services division.

Ms Noble: No, that's the total for the ministry as a whole.

Mr McKerrell: Oh, I was told it was just the division. Okay, so we haven't been quite as productive in the division.

Ms Noble: I think the bulk of them is Correctional Services.

1640

Mr McKerrell: Right. Anyway, we have a lot of suggestions from staff about ways and means of reducing expenditures, and they're all being evaluated, every one of them. There is a considerable degree of repetition, but these suggestions are all being evaluated as to the feasibility. Some aren't feasible, some things are off the wall, but there are some good ideas. We went through this exercise previously a couple of years ago, not as intensively as this, and a number of quite viable ideas were put forward and we did some things to put ideas in place across the system. Some of them were very small-ticket items, but these suggestions are all taken seriously and given good consideration.

Mr Villeneuve: One final question on the social contract.

The Vice-Chair: Mr Villeneuve, if you could make it very brief, we ran out of time about a minute ago.

Mr Villeneuve: I'll relinquish and I'll go back to the social contract. There are several questions there.

The Vice-Chair: You will be here tomorrow afternoon?

Mr Villeneuve: I will be here—

The Vice-Chair: Okay, we'll give you that opportunity then.

Mr Villeneuve: —if we don't lose the keys to where we're visiting tomorrow.

Mr McKerrell: I promise I'll bring you back.

The Vice-Chair: Maybe you could make that promise to each and every one of us; not that I'm feeling insecure, but there's something about going into a prison that makes one a little bit nervous. We'll move to the government.

Mr Mills: I've sat here for two days and it's my observation that we've turned every page, doubly perhaps, of the auditor's report. We've covered every avenue I can possibly think of to ask meaningful questions that would help us to understand the auditor's report. We've even had some brief discussion on leprosy, and I don't quite understand how that got into it. Our education will be finally consecrated with the visit to the jail tomorrow, in my opinion.

Not wishing to prolong asking questions for questions' sake—and speaking personally, I think we're reached that position now, that we're searching and fishing with long fishing poles for something else to come out—I want to ask one final question. I want to talk about the Young Offenders Act, and hopefully it will be brief because I don't want to prolong this agony.

I get letters from my constituents about the Young Offenders Act. They say that this is disgraceful, that people get away with this, that they get away with that, and it prompts me to write letters back to them and say to them, "Listen, if you've got any complaints about the Young Offenders Act, you should write to your federal member, because they're responsible for this legislation, and give me a break about it."

Nevertheless, I think we have some obligation to let the constituents, the taxpayers of Ontario, know that the young offenders legislation does cost Ontario a lot of money. If you could do it briefly, I'd appreciate that. Vis-à-vis operating the normal correctional facility in Ontario as opposed to the costs associated with the Young Offenders Act, I'd just like to have some brief discussion on that and the dollar effect federal legislation imposes on the Ontario taxpayer.

Mr McKerrell: Why don't I let Don Page speak to that. For the information of the committee, Mr Page was the ministry official responsible for setting up and implementing the YO system which Ontario operates today, and there's really probably no one in a better position to speak to it than Don.

Mr Page: Thank you very much for telling all of Ontario that I'm the guy to blame.

Mr Mills: Are you on the screen? Yes.

Mr Page: Earlier, in response to a question, I talked about the need to recognize the special needs of young offenders and the fact that both the federal legislation and our own enabling legislation in Ontario legislated enhanced services for young offenders, the objective being that that's the best place to spend your money, that if you can somehow capture and socialize and rehabilitate a person before he reaches the age of 18, he may become a decent, economic benefit to the province.

The costs of operating young offender facilities are certainly greater than operating adult. Staffing levels are greater. There's generally a psychologist and a social worker attached to each unit. They have much more of a recreation program. They have a different diet, for the most part, taking into account the fact that they are young offenders, still growing and requiring different kinds of foods in their diet. They become involved in school. It's mandatory, of course, for most of them to go to school. We encourage them to go to school and we've had discussions about the schooling here.

As far as the actual costs are concerned, I don't have, and I don't know if we do have, a per diem rate which shows what the per diems for YO facilities are compared to adult. I believe we did have something.

Ms Noble: I just asked for a quick check on the statistics and just to give you one comparison, Sprucedale, which is a standalone, independent YOA facility, has a per diem of $244 a day, which is for sentenced young offenders, as compared to Maplehurst, which is for sentenced adults, running at a per diem in the order of $120 a day. I think that starts to give some comparison. Institutions would vary from those numbers, but that's a comparative sample.

Mr Page: I should mention that the federal government cost-shares the Young Offenders Act to some extent. When they introduced this act, there were extensive negotiations carried on and a contract entered into between the provinces and the federal government for a cost-sharing arrangement.

The federal government agreed to cost-share certain costs, not all the costs, of young offenders. It worked out at the time, in 1985, that about 35% of the total costs were reimbursed by the federal government. Since then, I think in 1989, they capped their contributions at the 1989 level and have not increased them since. Therefore, we're still receiving whatever the figure was in 1989. That money doesn't, of course, come to the ministry; it goes to the general revenues of the province.

Mr Mills: That partly answers some of my queries. This shortfall of the federal government in not coming through obviously helps to contribute to our deficit problem.

I was very interested in one comment you made about the young offenders, about being growing young people and diet. I like that, what you said there, because this to me explains to the public that these young people don't survive on porridge, that they deserve a nutritional diet, and accounts perhaps for the Salisbury steak which some of our colleagues take great exception to, who feel they shouldn't be having any meaningful food at all.

I thank you for those comments. Madam Chair, I don't know if any of my caucus have any more questions, but I certainly don't. I thank you for your indulgence.

The Vice-Chair: Thank you, Mr Mills. It appears

your colleagues do not have any further questions.

You may not have this information with you, but if I could take the liberty as Chair, which I'm not supposed to do, to ask you a question and ask for some information, in the book that you submitted to us called Facts About Ontario's Correctional Services, on page 4 you give some statistics about the most common offences committed by offenders and you give a chart which shows the sentenced adult admissions by offence for 1990-91. I'd like to link that to the chart you gave to us this afternoon. I think the auditor was the one who noted that Ontario had, in 1991-92, a total count of 55,000. Would that be offences?

1650

Mr McKerrell: No. Probably 55,000 admissions.

The Vice-Chair: Quebec, in comparison, is 15,000. Even taking into account the population differential between Ontario and Quebec, that's a significant difference. I'm tying that into the chart on page 4 in your booklet which shows the number of offences such as public order and morals, traffic offences and liquor offences which would comprise, just doing a quick count, 43% of the offences. It is my understanding that in Quebec a number of these things that we call offences in Ontario which would lead to people being imprisoned would in Quebec be dealt with by fines or by other mechanisms. Would you happen to have any information in this regard?

Ms Noble: In terms of how Quebec is treating these offences?

The Vice-Chair: Yes, to see whether there is a direct comparison, whether there are certain offences which we in Ontario are dealing with by putting people in the correctional system while in Quebec, for instance, for impaired driving, they would just take away the licence, period. They wouldn't be imprisoned or have those further punishments. They would simply lose their licence. I wonder if you could provide us with a comparison if you have those data.

Ms Noble: I don't have information on the Quebec practices in its judicial system around those offences. We could certainly make an effort to try and get hold of that information for you in terms of some of these differences. I think we all clearly recognize that all of the provinces have different approaches and that therefore one does need to have an understanding as one looks at the statistics.

The Vice-Chair: I appreciate your answer that you wouldn't have this material readily available, because you're at the tail end of the correctional system and you have no control over, first of all, what the laws are, or secondly, the punishment that's done through the legislative and judicial arms. But I'm just thinking that as a committee it might be interesting for us to take a look at that and see whether we need to revisit some of the ways in which we look at offences and whether they should be punishable by incarceration or if there are other ways to deal with them.

Ms Noble: As I was indicating, we will certainly try and get hold of that information from Quebec and see if we can provide some comparison information to the committee. It would probably take a bit of time in order to pull that together, but we could certainly take a look at it.

Just as a general comment on the issue of whether the judicial system is dealing with people appropriately in terms of the sentencing patterns, we are working with and discussing with our colleagues in the system, particularly with the Attorney General, looking at the practices and identifying some of these issues, so there's certainly ongoing discussion about those issues as we all face increasing pressures and an increasing recognition that we need to make sure the resources of the justice system are being applied where they need to be in relationship to the particular offences committed and what then happens to the offender.

The Vice-Chair: I appreciate your willingness to secure that information for us, and even if we have it by the time the Legislature goes back into session by the end of March, I think that would be fine.

Mr Callahan: I'd like to invite the deputy minister and perhaps some of her other officials back here or at least put them on notice that we will be inviting them back when the—what's the name of that report?

Ms Noble: Casaveris.

Mr Callahan: —the Casaveris report is available and tabled with us. We've already got copies or excerpts of the Quebec report which I'm going to want to have legislative research compare in terms of all sorts of things, and then we'll have them back and ask them questions. I'm sure you'll be happy to come back at that time.

Mr Duignan: On that issue, I think tomorrow afternoon is the time to sit down and discuss where we go from here and what reports we look at on that issue and make that decision at that time.

The Vice-Chair: Mr Callahan, I appreciate your giving us notice of your intentions and when we go in camera at the end of our session, that's something we will of course be deciding and perhaps inviting the ministry back.

The agenda for tomorrow is that we will meet at 10 to 9 at the main doors.

Mr Callahan: You may be here at 10 to 9.

The Vice-Chair: Sorry, I will be here at 10 to 9 but not at the main doors. It will be 10 to 10, 9:50, and leaving at 10 o'clock. We will be back at 1 and then we will be reconvening at 2 o'clock in room 151 for the afternoon. We will probably reserve at least part of the afternoon in camera for discussion of our report.

Mr Duignan: On that, I would suggest that maybe we spend the one hour going around, 20 minutes each caucus, and the remaining one hour dealing with where we go from there.

The Vice-Chair: That seems like a viable option so we'll plan on coming back here tomorrow at 2 in case there are some members who won't be joining us for the tour of the jail system tomorrow morning.

The committee adjourned at 1656.

CONTENTS

Wednesday 26 January 1994

Annual report, Provincial Auditor, 1993: Ministry of the Solicitor General and Correctional Services P-507

STANDING COMMITTEE ON PUBLIC ACCOUNTS

*__Chair / Président:__ Cordiano, Joseph (Lawrence L)
*__Acting Chair / Président suppléant:__ Murphy, Tim (St George-St David L)
*__Vice-Chair / Vice-Présidente:__ Poole, Dianne (Eglinton L)
Bisson, Gilles (Cochrane South/-Sud ND)
*Callahan, Robert V. (Brampton South/-Sud L)
*Duignan, Noel (Halton North/-Nord ND)
Frankford, Robert (Scarborough East/-Est ND)
Marland, Margaret (Mississauga South/-Sud PC)
*O'Connor, Larry (Durham-York ND)
Owens, Stephen (Scarborough Centre ND)
*Perruzza, Anthony (Downsview ND)
Tilson, David (Dufferin-Peel PC)

*_In attendance / présents_

Substitutions present/ Membres remplaçants présents:
Akande, Zanana L. (St Andrew-St Patrick ND) for Mr Bisson
Haeck, Christel (St Catharines-Brock ND) for Mr Frankford
Jordan, Leo (Lanark-Renfrew PC) for Mrs Marland
Mills, Gordon (Durham East/-Est ND) for Mr Owens
Villeneuve, Noble (S-D-G & East Grenville/S-D-G & Grenville-Est PC) for Mr Tilson

Also taking part / Autres participants et participantes:
Ministry of the Solicitor General and Correctional Services:
Humphries, Dr Paul, senior medical consultant and manager, clinical services
Jensen, Kurt, manager, analysis and support, correctional services
McKerrell, Neil, assistant deputy minister, correctional services
Noble, Michele, deputy solicitor general and deputy minister
O'Brien, John, director, eastern region
Page, Don, director, western region
Peters, Erik, Provincial Auditor

Clerk / Greffier: Decker, Todd

Staff / Personnel: Anderson, Anne, research officer, Legislative Research Service

C205
P26



P-26

ISSN 1180-4327

Legislative Assembly
of Ontario

Third Session, 35th Parliament

Assemblée législative
de l'Ontario

Troisième session, 35e législature

Official Report of Debates (Hansard)

Thursday 27 January 1994

Journal des débats (Hansard)

Jeudi 27 janvier 1994

Standing committee on public accounts

Comité permanent des comptes publics

Ministry of Labour
Library

Annual report,
Provincial Auditor, 1993

Ministry of the Solicitor General
and Correctional Services

Rapport annuel de 1993
Vérificateur provincial

Ministère du Solliciteur général
et des Services correctionnels

Chair: Joseph Cordiano
Clerk: Todd Decker

Président : Joseph Cordiano
Greffier : Todd Decker

Published by the Legislative Assembly of Ontario
Director, Hansard Reporting Service: Don Cameron

Publié par l'Assemblée législative de l'Ontario
Directeur, Journal des débats : Don Cameron

Hansard on your computer

Hansard and other documents of the Legislative Assembly can be on your personal computer within hours after each sitting. Sent as part of the television signal on the Ontario parliamentary channel, they are received by a special decoder and converted into data that your PC can store. Using any DOS-based word processing program, you can retrieve the documents and search, print or save them. By using specific fonts and point sizes, you can replicate the formally printed version. For a brochure describing the service, call 416-325-3942.

Index inquiries

Reference to a cumulative index of previous issues may be obtained by calling the Hansard Reporting Service indexing staff at 416-325-7410 or 325-7411.

Subscriptions

Subscription information may be obtained from: Sessional Subscription Service, Publications Ontario, Management Board Secretariat, 50 Grosvenor Street, Toronto, Ontario, M7A 1N8. Phone 416-326-5310, 326-5311 or toll-free 1-800-668-9938.

Le Journal des débats sur votre ordinateur

Le Journal des débats et d'autres documents de l'Assemblée législative pourront paraître sur l'écran de votre ordinateur personnel en quelques heures seulement après la séance. Ces documents, télédiffusés par la Chaîne parlementaire de l'Ontario, sont captés par un décodeur particulier et convertis en données que votre ordinateur pourra stocker. En vous servant de n'importe quel logiciel de traitement de texte basé sur le système d'exploitation à disque (DOS), vous pourrez récupérer les documents et y faire une recherche de mots, les imprimer ou les sauvegarder. L'utilisation de fontes et points de caractères convenables vous permettra reproduire la version imprimée officielle. Pour obtenir une brochure décrivant le service, téléphoner au 416-325-3942.

Renseignements sur l'index

Il existe un index cumulatif des numéros précédents. Les renseignements qu'il contient sont à votre disposition par téléphone auprès des employés de l'index du Journal des débats au 416-325-7410 ou 325-7411.

Abonnements

Pour les abonnements, veuillez prendre contact avec le Service d'abonnement parlementaire, Publications Ontario, Secrétariat du Conseil de gestion, 50 rue Grosvenor, Toronto (Ontario) M7A 1N8. Par téléphone : 416-326-5310, 326-5311 ou, sans frais : 1-800-668-9938.

Hansard Reporting Service, 481 Legislative Building, Toronto, Ontario, M7A 1A2. Phone 416-325-7400. Fax 416-325-7430

STANDING COMMITTEE ON PUBLIC ACCOUNTS

Thursday 27 January 1994

The committee met at 1403 in room 151.

ANNUAL REPORT, PROVINCIAL AUDITOR, 1993

MINISTRY OF THE SOLICITOR GENERAL AND CORRECTIONAL SERVICES

The Chair (Mr Joseph Cordiano): We will resume this afternoon with the deputy minister, the assistant deputy minister and some staff. We will continue with questions for one hour. We will allot 15 minutes to each caucus, and then I will allow each caucus five minutes at the end for final questions or final thoughts.

Mr Robert V. Callahan (Brampton South): In the last couple of days you've told us about Trilcor laundry service at Maplehurst. Can you tell us how that's working? I've been informed it's not working as well as one would expect. Certain inmates are not receiving a regular clothing change and they're forced to wash their underwear in their cells. Do you know anything about that?

Mr Neil McKerrell: I can try. I hadn't heard that. The Trilcor laundry operation was set up a number of months ago. It went into operation in 1993 after a great deal of extensive planning and so on. The idea is that the individual laundries in a number of the institutions in the Golden Horseshoe have been replaced by this central laundry for cost-efficiency and environmental improvements. The institutions have all kept a small, more domestic type of washer and dryer for emergency things, but it's certainly not intended to deal with the whole inmate population.

If there are stories about inmates not getting clean clothing, I'd be pleased to have that information and follow up on it. The inmates are supposed to have a change of underwear and socks twice a week, so I'd be pleased to hear any information about problems where that's apparently not happening.

Mr Callahan: I obviously won't give you the name of the person, but it was a complaint from the Metro Toronto East Detention Centre. I know this question comes without warning. Perhaps you could at some time later report to us about how successfully Trilcor is working, whether there are any complaints and whether there is any effect in terms of the suggestion that's just been made.

Mr McKerrell: Kurt, you were involved with Trilcor until two or three months ago. Do you want to advise the committee to that point in time?

Mr Kurt Jensen: The central laundry, as Mr McKerrell pointed out, is made to replace all the old antiquated laundries in the greater Golden Horseshoe area. It's a brand-new system for us. Instead of doing that in 13 centres, we're moving it all into one centre. As with any new program, there are some teething problems in setting it up.

Periodically, until all the routines are sorted out, there may be some mixup in clothing and stuff. Also, institutional routines are changing to accommodate this new type of laundry: Before, each institution had laundry officers who did nothing but look after laundry, but now that that function has been transferred to the central laundry, the institutions themselves are working out their routines for how they're going to deal with collecting laundry and getting it to Maplehurst and then getting it back and distributing it to inmates. It may very well be that for the next few months it will experience some teething problems.

Mr Callahan: Perhaps you could also check at the detention centre and report to us about whether it's in-house laundry facility is in operation. I understand it's not. I'll leave that with you.

As we learned at the Toronto Jail on our trip this morning, the librarian was laid off as a result of the cuts. Has that happened in other institutions as well?

Mr McKerrell: Yes. Last year we changed the library services which were in place across the province. The majority of jails did not have any librarians at all. A few of the jails and detention centres did have them—the Toronto Jail was one that did have a part-time librarian—all of the correctional centres had librarians, and some of the youth centres had librarians. In other words, there was no consistency across the system.

Last year when we began our program review, during our constraint exercise, we looked at the programs we were currently operating, the funding we had available, and we started backwards: What do we absolutely have to have as a critical core program? Security, obviously, food service, health care, and you come down the list of the various functions, activities and programs that go on in the institution. Then we came to the more social programs.

When we looked at how the library services operated across the province with no consistency, we decided to try to bring a degree of consistency and have a library service that was more evenly distributed yet within the reduced amount of money available. We removed the part-time librarians from the few places where we had them, and where we had full-time librarians we reduced them to part-time. We had all places across the system treated in like circumstances, so all the correctional centres now have the same level of library service and all the jails and detention centres are in the same position.

1410

Mr Callahan: When we visited the Toronto Jail this morning, I was struck by a comment that was made to the effect that although the library continues to exist, because of the nature of having to bring a book to a prisoner or having a prisoner select a book, a library without a librarian makes it very difficult for the institution to effectively use the library. I'll just leave that with you. I hope that's not something that will remain after the financial difficulties are overcome.

Do you have any idea of what the overall saving to

date in Correctional Services is as a result of the implementation of the social contract, or is that something you'd have to get for us?

Mr McKerrell: We would have to get that for you.

Mr Callahan: I'm sorry. I think Ms Poole asked for that earlier in the week.

Ms Michele Noble: I apologize. I don't recall there having been a request for the saving to be achieved in the social contract.

Mr Callahan: Perhaps you could provide that to our research officer when you get it.

Ms Noble: Just for clarification, you're talking specifically about the impact of the social contract itself?

Mr Callahan: Yes, the savings that have been effected through the social contract.

Mr Anthony Perruzza (Downsview): Roughly 5%.

Mr Callahan: I'd like something more specific.

Mr McKerrell: You want it just for Correctional Services, right?

Mr Callahan: As you're a dual ministry, even though you're not here in that capacity, maybe we'll have it for both if we could.

Ms Noble: The reason I was asking for a clarification of the request is that the social contract provides an amount to be achieved through compensation as part of the contract itself, but it also provided for the establishment of committees within each ministry to look at productivity savings that might be used to offset the impact on the staff salaries. I was looking for a clarification about whether it was that latter figure you were looking for—in other words, the productivity savings coming forward as part of our process—or whether it was the other figure.

Mr Callahan: Maybe we could have both. That way I don't have to answer the question.

The second part is that correctional officers, much like police officers, firemen and so on, are an essential service. Under the social contract, they cannot be reimbursed for—I don't like to use the Premier's name in vain, but they're called Rae days; he gets credit for it every time. I gather that the correctional facilities are dealing with this in such a way that officers take a day off and they're replaced by someone else. Is that correct? Or are we going to be faced with a situation similar to firemen and policemen in 1996, where 36 days will have to be provided or filled in for to fulfil the days they're entitled to?

Ms Noble: We are in the process of trying to schedule the days for the staff so that we don't require backup. Our services fall within the definition of essential services; certainly not all staff or positions at the ministry would meet those requirements, but the critical coverage components would. In the meantime, our managers are taking the steps necessary to schedule that in such a way that we're actually achieving savings, not simply having someone off and backfilled with somebody else.

Mr Callahan: Can I assume that you're maintaining a full staff complement at these facilities at all times?

Ms Noble: We're maintaining staff levels to the levels that are essential in the operation of the facilities.

Mr Callahan: I assume that would be below the staff complements that existed prior to the social contract.

Mr McKerrell: No.

Ms Noble: No.

Mr Callahan: No? That's fine.

Mr Cameron Jackson (Burlington South): You have fewer inmates.

Mr Callahan: No, actually they have more, if you saw the auditor's report.

Mr Jackson: Then I'm confused.

Ms Noble: What we have to understand is that there are different levels of staffing, depending on—

Mr Callahan: The institution.

Ms Noble: Yes, but also the time of day in the institution and the process and procedures within the institution. As a consequence, we do have agreement with the union in terms of minimum staffing requirements, and we do not go below those. Those are the standards we're adhering to as we manage this process.

Mr Callahan: As you know, during the hearings I've concentrated significantly on the question of the 15% of people in correctional facilities who are mentally disabled. We found out today at the Toronto Jail, I think the superintendent told us, that four out of 10, or 40%, were schizophrenic. In fact, one of the guards said they knew them all by first name because they continually come back to see them.

In light of that, I've passed out an article that was in the Globe and Mail this morning. It's something I've been advocating for a considerable period of time, to convince the Minister of Health to include the latest drug, which appears to be quite effective for schizophrenics, namely, risperidone. In that vein, I have placed a motion before committee members. I'm content that it either be dealt with today or, perhaps better, serve as notice of motion to be dealt with at one of our meetings when the Legislature returns. I'd like to read it into the record.

I move that whereas the auditor's report on corrections states that 15% of the total inmate population of Ontario of some 8,000 suffer from mental disorders; and

Whereas at the Toronto Jail, at least 40% of such persons are affected and in the general population of Ontario 50% or more of those with mental disorders suffer from schizophrenia; and

Whereas many of these inmates with schizophrenia continue to return to corrections; and

Whereas a new drug for the treatment of schizophrenia, namely, risperidone, has proven to be a very effective but costly drug, about $2,200 per year for average treatment; and

Whereas many of the inmates in question return to the streets on release and rely on social benefits;

Be it therefore resolved that the public accounts committee of the Ontario Legislature recommend to the Minister of Correctional Services that the drug risperidone be used, where appropriate, in the treatment of schizophrenic inmates and encourage the Minister of

Health to include such drug in the Ontario Drug Benefit Formulary available for use by persons who can prove financial need.

I don't think that motion needs explanation. I recognize that under our present mental health legislation people cannot be required to take the drug. There may be amendments to the act at some future date, but for the present one would hope that if they were encouraged to use it while they were incarcerated, perhaps if the drug was available to them through the formulary when they got out on the street, we might be able to maintain their degree of comfort and not have them back in our jails.

I think that fits well with the auditor's report that we're all concerned about the best spending of our correctional dollars during tough times, but we're also concerned—I certainly speak for myself and I hope every member of this committee, and also for the good doctor who addressed us and others—that it's not really appropriate to use the correctional system for people with mental disorders, and if we can at least reduce their numbers through the opportunity to use this drug, we're well ahead of the game.

My ultimate goal and my ultimate wish, if I had three of them, is that there be a separate facility for these people. Unlike the people who perhaps have deliberately broken the law, these people are, unfortunately, afflicted with a disorder that places them in conflict with the law. I can tell you the judiciary would be most happy to have these people out of the system perhaps by a diversion process or something.

I leave that motion, Mr Chair. Perhaps members can consider it. I'm sure there can be suggestions to improve it, but that's the nature of it.

1420

Mr Jackson: Perhaps we could revisit the expenditure control plan and how it has impacted the corrections ministry. I know you're going to get back to the committee with respect to the saving with the social contract, but you're well into the expenditure control plan so you would already be aware of the areas you've had to cut.

Ms Noble: We've taken a number of steps in terms of the expenditure control plan reductions. In terms of some particulars, we mentioned to the committee earlier that we have reduced the number of regional offices within the Correctional Services division from five to four. We have reduced the number of area offices for probation and parole from 50 to 40. I should point out that that was a change in the administrative cost with respect to those offices; we continue to operate the full range of locations for services to the clients, so that's the impact of that second one. We mentioned a little earlier that we have made changes in the area of library services. We have made reductions in the manner in which trades instruction takes place, consolidating it in a number of locations across the province.

Mr Jackson: I didn't catch that.

Ms Noble: We have consolidated the trades instruction that was in a number of facilities; that has now been consolidated into four locations. We have also reduced the use of unclassified staff in the recreational programs as a means of achieving cost savings. Those are some of the significant highlights. In addition, there have been general cutbacks in terms of just general spending, every penny being watched. Those are key elements as they've impacted on the Correctional Services area.

Mr Jackson: This morning we had occasion to visit the Don jail, and the individual managing the food services was very quick and very proud to announce to us that he had achieved a $25,000 saving by switching from whole milk to powdered milk. That's just one institution. Are we not doing menu audits with respect to these kinds of savings? I know there's institutional preparation of food across several ministries, but it's perhaps highest in your ministry in terms of direct payout. What kind of linkages do you have, first, to find additional savings like this one, and second, is there something internally going on to make sure this is occurring in all the institutions?

Ms Noble: First, in terms of the comment made this morning, the suggestion that was made there and was decided to implement is part of the program we have in place within the ministry. I referred a few minutes ago to the issue of productivity savings, and that suggestion is one of a very large number of suggestions that have come forward from staff and are being reviewed and are under consideration as part of that discussion.

It's also worth noting that per diem costs for food and beverages within our institutions have systematically been declining. I have information in front of me indicating that the average cost per diem for food and beverages in 1989-90 was $4.32, and at the moment we're projecting that to be $3.75 based on the first six months' operation this year. Certainly it's an area the ministry does spend time on in terms of making sure those cost savings can be achieved.

Mr McKerrell: We have on staff a dietitian who designs the menus which are used in all of our institutions, and of course they're designed for nutritional content as well as the most reasonable prices. She provides the direction on the cuts of meat and the types of—well, everything related to the preparation of the food. Through her expertise, we have been trying to find foods that are still very nutritious and meet all the requirements of keeping the inmate population healthy and yet reduce the operating costs. That's been going on for the last two years, and over that time she has made a number of changes to the basic menus which have resulted in our costs coming down. I set a target a couple of years ago of shaving $600,000 to $1 million off our food services because, as someone mentioned, it's a very expensive and very significant portion of our operating costs.

Mr Jackson: Is it a safe assumption that all inmates in Ontario are covered under the ODB, Ontario drug benefit plan?

Mr McKerrell: Any drugs an inmate requires while in the institution are provided by the institution. We get most of them through the central pharmacy, and if it's something that's not covered by the central pharmacy and the physician prescribes it, then we buy it at a local drugstore.

Mr Jackson: When a person on social assistance is on the Ontario drug benefit plan, they get their drugs

free. Then they run afoul of the law and move into an institution. While in that institution, instead of the Ontario drug benefit plan paying for it, it's now being charged against your ministry. Is that correct?

Mr McKerrell: Yes.

Mr Jackson: Can you share with us what your ministry would spend on drugs annually? If you've got hard numbers for even two years ago, that would be helpful.

Dr Paul Humphries: As it relates to our drug plan, we buy all of our drugs through the central pharmacy, Ministry of Health, except for those that are required on an emergency basis or are not readily available in that manner. Second, we have a drug formulary within our book which we ask our physicians as best as possible to follow, but we do not limit or influence their practice of medicine because we really can't do that.

A couple of years ago, we did have an overview of what the relative cost per inmate was—that was a study done by Cathy Sears—and we could make that information available to you. We would not have at our fingertips right now a relative cost, but remember, we would not be influencing our physicians and say, "You must use the cheap drug." They come into our institutions from the community, and we want them to carry out the same quality of practice within our institution as is present in the community, so we do not direct them what they can and cannot order.

Mr Jackson: I understand that, but I see jurisdictional problems here, quite a few of them, now that this information has come to light. In the cases Mr Callahan was raising, the high incidence of those who are heavily and expensively medicated for mental conditions, is there any effort to link the legal drugs in their possession prior to incarceration—I mean, do those drugs just stay on the shelf in their home while they're incarcerated? Some of these drugs are $300 or $400 per prescription, which is extremely expensive. Now I find that if it's a citizen's right to access it under the ODB, they're actually in a position to access the drug benefit system twice. If they're not stricken from ODB eligibility simply because they've been incarcerated, I see a whole series of problems here.

1430

Dr Humphries: Our policy on that is when an inmate comes in on medication, the medication is initially used if it's in the middle of the night, but it's removed from him and placed with his personal belongings. Then we take over the provision of the medication, because we can't run the risk of their bringing in contraband. The answer is yes, the drugs come in, they're put in their personal possessions and returned to them at the time of discharge.

Mr Jackson: I certainly would be interested in understanding the policy decision which causes these costs to be handled differently.

Dr Humphries: I'm sorry?

Mr Jackson: You're acquiring drugs as hospital dispensaries do, through that same source. I'm not getting into the question of what happens to a patient who's receiving drugs from a pharmacy and then is hospitalized and receives drugs. We're talking about people who are in one of your facilities for up to two years. I see some cost overlaps here, and I'd be very anxious to see what your drug costs are year-to-year for the last few years.

Ms Noble: I have some numbers here. For 1992-93 the figure I have is $1.4 million. The year prior to that it was $1.2 million. The year prior to that $1.123 million. Those are rounded off.

But you were raising the question about why we would choose to do it this way. There are two comments I would offer and then leave it to either of my colleagues to comment further. One is that we have the issue of security in terms of whatever drugs inmates may have with them as they come into the institution. The real issue is that the drugs coming in have to be controlled, therefore the need for the institution to control the drugs.

Mr Jackson: I understand the control. I don't mean to interrupt you. I'm talking about people—

Ms Noble: The next point I'm about to make, however, if I understand your question correctly, is why wouldn't the institution then continue to achieve and acquire the drugs on the drug benefit plan? The administrative costs of trying to administer the prescription costs of each individual inmate who might require resources from the drug benefit plan for something that would be ordered in the institution would be inordinate in comparison to what we're trying to do, particularly when you're dealing with a remand situation. For cost-effectiveness of administration, given the drugs the inmate has coming into the institution, it makes more sense for us to manage that billing internally.

Mr Jackson: Fair ball. Today's experience was just one remand facility, and as a committee, we're talking here about 20-odd institutions. We're doing it with nursing homes as well. We'll perhaps leave it and discuss it another day, but the drug formulary aspects I'm familiar with, and savings can be achieved configuring it differently in an institutional setting. But I have a couple of other areas, and I only have a few minutes left.

Ms Noble: Just one final comment for your consideration, that the highest volume of our people are in in-and-out situations, and each time they come in and out of an institution. I think that is different from some of the other institutional programs.

Mr Jackson: I was trying to be clearer by suggesting to you that the inordinate mix of persons with mental illnesses causes high medication. I'm not talking about the person who requires an aspirin who's going to be in for three days.

On this basis, I wish to raise my next question. The new Justice minister has indicated that his response to his expenditure control plan, as the new government, will be to cause more of the cohort of violent offenders to be dealt with by, to quote his words exactly, "the Ontario health care system." He has on two occasions made that public statement. This causes me considerable concern because it will manifest itself in increased loading of your institutions and also, as Mr Callahan has raised about how we manage these individuals, from what we saw this

morning in just the one institution they have differential staffing requirements: Some have differential facility arrangements because of the potential for violence and ability to inflict self-harm.

To what extent is your ministry aware of and participating in discussions with the federal Justice ministry or federal minister of corrections, whose ambit this falls under as well, to determine the impact of releasing so many individuals out into the community, some of whom will be eligible almost directly, based on the revolving-door statistics we're seeing? Are you tracking any of this information about these violent offenders who are coming out?

Ms Noble: Has the ministry been involved in any discussions with the federal corrections people about, if I understand you correctly, an intention to be releasing more violent offenders—

Mr Jackson: Three policy decisions flow from this. One has to do with the downsizing of the institutions, another has to do with straight cutbacks, and the other has to do with the whole cohort of violent offenders who—Canada changed its policy 25 years ago to eliminate capital punishment. There's a large group now eligible for parole and release in Canada, an incredible number who are now coming out because they all served their 25 years to life or whatever it is. A disproportionate number will settle in Ontario. We've seen the statistics of people who are discharged from federal penal institutions. This is going to have a huge impact on our corrections facilities because there'll be a second-wave catchment for people who reoffend or whatever. I'm just wondering if you're tracking any of this from a policy perspective, because it's obviously going to have an impact.

Ms Noble: In terms of whether we are doing any detailed tracking of it, we're not in the sense that I believe you're raising this afternoon. However, I need to know and will obviously be following up on the comments you've made here.

One would need to be careful, however, about assuming that simply because a body of offenders had completed their sentences and were returning to the community having completed those sentences, they were highly likely to return to our institutions. That is something one would want to carefully examine, because I think it would very much depend on—

Mr Jackson: Car thieves are not getting 25 years. These are violent offenders with mental health problems. Perhaps I'm not making myself clear today. These are people with mental health problems.

The Vice-Chair (Ms Dianne Poole): Mr Jackson, I'm sorry; it has gone a few minutes over. I turn to the government caucus.

Mr Gordon Mills (Durham East): I'd like to start by thanking the ministry for providing the tour of the Toronto Jail this morning. I thought that was very informative, gave us a hands-on feel of some of the things put forward in the auditor's report. I had a chance to chat with one or two of the people personally. They were upbeat, very professional, and I think the whole correctional system is in fine hands.

I want to talk about the standing committee on public accounts. Surely to goodness we're here, in my opinion, to discuss the auditor's report and to discuss what the auditor said in relation to the Ministry of Correctional Services. I personally have struggled through, and I don't see how we got to discuss the great big issue of AIDS and how we got to talk about leprosy. I was lost. I was here to discuss items as contained in the auditor's report, and there were a number of issues. I think all those issues have been looked over and over and now we're into a position where we're getting away from the intent of this standing committee to look into what the auditor said, and that we now seem to be on a fishing expedition with long fishing poles.

I just want to go through what I've learned about the concerns in the auditor's report. One of the concerns the auditor mentioned in his report was the per diem cost to keep people in jail compared with other jurisdictions. It came out in the discussions here that we're comparing our facilities with modern facilities, and that we have eight ancient jails that put the figures out of whack. It came through very clearly to me, as a member of this committee, that if you compare our modern facilities we're ahead of the rest of Canada, but if you throw in the oldtime jails that were brought in in the 1800s, that tended to fix the figures which the auditor had brought to our attention in the report.

1440

Also in the report, he spoke about the high level of sick days. We heard it described very well that this isn't a recent problem. There's been a problem for all three governments. I didn't hear anything that would suggest it has anything to do with the social contract. It has nothing to do with the AIDS scare, stress or anything like that. It is a very stressful job. We recognize that. I compared it to the stress associated with the Ontario Provincial Police. We didn't have a figure to verify that, but I suspect that their figures are very much the same. Nevertheless, I heard you say that zero tolerance on sick days is your goal, and I commend you for that.

We don't live in a perfect world, nor do we have a perfect corrections ministry, but I was encouraged by what I heard from the auditor and by what you said to address those concerns, that you are taking steps to do that. We heard some rhetoric that we need to return to the old boot camp days, where people worked their butts off from dawn to dusk, but we didn't hear anything about the wonderful value we get from our correctional system.

We heard that not only do they operate large farms with herds of cattle, pigs, and a self-sufficiency that I don't think anybody could really grasp unless they'd heard it in this committee, you also have an industrial component like a corporation that plows back into the government $6 million a year. And this is done with a transient staff and with a staff that perhaps is not the best to use in different jobs. I commend you for that $6-million turnover given those conditions.

The auditor asked about community programs. We heard that people work in the community and, given an adjustment with the average minimum wage, contribute $5 million back into the community. We heard that 83%

of all the people who go through the system are out there in the community working and contributing to society and their wellbeing.

I don't subscribe to what I've heard in some of the comments here that all is not well with corrections. In fact, the whole presentation you made in response to the auditor's questions gave me the opportunity to really understand what you are doing, and I'm sure it gave the viewers who are watching this the opportunity to understand what you're doing.

Mr Callahan: Do we get equal time?

Mr Mills: I'm just telling it the way it is. You people don't want to hear the truth. You want to put all kinds of spooky things into it.

Mr Callahan: I can hear the sets clicking off around the province.

The Vice-Chair: Mr Callahan, Mr Mills is entitled to use his time however he chooses.

Mr Mills: Thank you, Madam Chair. Whether the sets are clicking off or not, it's the truth, and that's what I'm here for. We are here to address the concerns of the auditor and I think we've done it admirably as a committee. Now we're into a search and seek mode which I don't agree with.

I'm really impressed with corrections. I'm really impressed with the staff. I think they have a pride, a sense of commitment to this province. You threw red herrings about the social contract. I don't believe that at all. These people have a commitment to corrections. They're very proud and they're very pleased to be in the ministry.

Mr Callahan, you threw out some sort of motion. I want to ask the good doctor about that. Dr Humphries, it was my understanding that you said on Tuesday that there's going to be an interministerial inquiry with Health, the Attorney General, Comsoc and Correctional Service Canada to address the essence of Mr Callahan's motion. I believe you gave the honourable member that commitment. I'd just like you to clarify your response to this motion that's before us.

Dr Humphries: I certainly did make a commitment to Mr Callahan to raise that issue next Thursday, and I certainly will. What I wanted to provide some clarification on, and it won't change any intent of anything that's been said—it's more for the sake of Hansard and the members around the table—the other day when I asked Mr Callahan, "Was it such-and-such a drug?" you will note we now have two drugs on the table. Mr Callahan and I have clarified that.

There are two brand-new drugs which are considered really marvellous in this area. One is clozapine and the second one is risperidone, as mentioned by Mr Callahan. They're both remarkable drugs. The clozapine requires almost weekly blood tests, so for that reason risperidone seems to be taking the lead in this field. Mr Callahan and I have talked about it, and since Tuesday I've talked with our central pharmacy, Ministry of Health, as Mr Callahan knows. I just want to say that my commitment will be to bring to the committee the drug risperidone. I wanted to clarify that.

Mr Mills: Thank you, Doctor, for those words to reaffirm what I believe I heard on Tuesday.

As I said earlier, I believe the ministry staff who have attended here have been straightforward, honest, open, and promised to make all kinds of documentation available as need be for this committee, and I support that in connection with what our mandate is here, which was to look at the auditor's report. I'm not in agreement with some further discussion by this committee about AIDS and related issues and reports, because I don't believe that's within the mandate of this committee. I don't think we should be doing it. I think it's a health matter and it should be taken up with some other ministry.

Having said that, I want to thank everyone for being here, on behalf of my caucus, who are very appreciative of the openness and the straightforwardness with which this is being presented. In conclusion, I have nothing more to ask of this committee in so far as the auditor's report is concerned. It's been covered, hammered, nailed down and done. With that, I'll let Ms Akande conclude.

Ms Zanana L. Akande (St Andrew-St Patrick): Within the auditor's report and recommendations is the discussion of recidivism, and I would like to turn to that. The correctional institute we visited this morning is of course a relatively short-stay institution, though there are exceptions to that, yet it was clear in the conversation with those who were kind enough to guide us about that there are inmates who do return, and return frequently, and that some of the people who work there know them by their first name and have a knowledge of their background.

The auditor makes the recommendation that perhaps this whole area of recidivism should be looked at again in terms of whether it can be used as a way of evaluating or assessing effectiveness. If not that, what? Especially in view of the fact that there is such repetition in terms of the same people coming in. Would you consider it more appropriate to use recidivism in another kind of institution, or do you think it might be the kind of evaluative tool that might be used for YOA as well as adult correctional institutes? I don't have enough information about what else we could use to be totally comfortable about saying this is a good or bad recommendation.

Ms Noble: I think the point raised in the auditor's report was questioning, in the environment of the Ontario correctional system, given the length of stay, whether recidivism as an indicator of the achievement of the objective of the system was a reasonable indicator, and then it went on to comment about the ministry's capacity to be actually monitoring that, particularly at an individual institution level.

1450

As we look at the Ontario system, the objective, particularly for short-stay, I believe has to contain elements of providing supportive environment opportunities for personal change within the population we're dealing with. We do have some offenders with us for a considerable length of time, particularly those participating in some of the treatment programs, for instance, we have at the Ontario Correctional Institute. When we look at the impact of some of those programs, the issue of

what the impact has been in terms of those offenders returning for the particular types of offences they're being treated for is valid.

In terms of the discussion, I think we need to be looking at supplementing. I don't think we should lose sight of looking at this indicator. As you've suggested, it's perhaps a case of focusing a little more on it in some institutions as opposed to others, depending on their nature. But I think we need to supplement; I don't think we should be focusing only on recidivism.

In terms of looking at the success of our own programs, as has been mentioned here before the committee, we do try to make sure that people who start programs get linked to them in the community etc. As we start to look at how we operate and might choose other indicators, I use that as a suggestion. I don't have a composite list here, but it's something the ministry has agreed we need to spend some time talking about. It's a case of coming at it with a number of indicators that would be looking at what we actually are doing.

If we only have people for a short stay, and the opportunity we can really provide is to link them into a community program, what we should be monitoring perhaps is the percentage of times inmates actually choose to take up and follow up on those linkages, given that they have free choice about whether they do or don't continue those programs once they leave us. It may be more along those lines, and perhaps supplement.

But it's an area where the ministry in its response, and certainly in the work we're doing, is cognizant of the need to give it more thought and more in-depth thought.

The Chair: Thank you very much. We're going to move to the five-minute summations or roundup. Mr Murphy, you're first.

Mr Tim Murphy (St George-St David): I'm just going to take a minute and then pass it over to Mr Callahan. I thought it would be interesting to pass on the comments of Francis Lee, who joined us on the tour. He's a young man who's MPP-for-a-day in my community. I thought it would be interesting because of what he told me about his impressions.

His first impression was that he thought the staff there was competent and professional. His sense was that the management of the place, from his perspective, was well done. I asked him, however, if he thought going into that institution would act as a deterrent, and this really picks up on the comment of Ms Akande. His answer was no, he didn't think going in there would stop you from going in there again. Interestingly enough, he thought the staff there actually did quite a good job catering to the needs of the inmates: the anti-smoking policy or smoking policy and a few other issues like that.

I think he reflects the opinion of many people watching on television or the public at large, that tougher sentencing is what we need. The other issue he thought worth focusing on was the parole issue. He reflects, I think, a general view that the parole issue is one where people get out too soon and too easily.

We were talking earlier, Deputy, you and I, about the need to communicate what the system does. Some of the comments we've had here today talk about the need to communicate what you do, because it was interesting, once Francis Lee was in the jail and saw what happened, the impressions he had versus the impressions that are outside. Finally, the whole question Ms Akande raised and I guess all of us have, is really the question of whether the system works to prevent people from coming back to it again.

I just wanted to pass on those comments. I thank you for the efforts you've made in the past few days and obviously the staff at the Don jail for their hospitality. I'm glad it was the kind that let us back out.

Ms Dianne Poole (Eglinton): I found Mr Murphy's comments and the comments of his MPP-for-a-day very interesting. They may be reflective of what a lot of people out there think, but after visiting the Don jail this morning, I can certainly say it would discourage me from ever wanting to do any criminal act and ending up in that place.

The correctional officers were very professional and that the place was well maintained, but the cells are extremely small. In fact, we had a visit to the old part of the Don jail where there was barely enough room for a person to lie down, with no plumbing facilities. I understand from conversations earlier this week that in fact many of our facilities are extremely old and very cramped, with very little in the way of the programming we might like.

I understand that the Don jail, now the Toronto Jail, which we visited this morning, was basically for short-term placements, but it was quite amazing to see that they have no recreation facilities to speak of. They have no gymnasium, no place for inmates to work out their frustrations. I don't think it's called "pampering" inmates when they have so few facilities. There's no longer a librarian there, so reading materials are very difficult for inmates to obtain. We have to find a balance between wanting to have a deterrent against them coming back into the correctional system and also treating them in a humane way.

I thank you for the tour today. From my personal vantage point, it was quite an eye-opener. I didn't see any evidence that the prisoners in our system are being pampered.

Mr Noble Villeneuve (S-D-G & East Grenville): I thank the deputy minister, assistant deputy minister and the staff. It was an eye-opener for me. The only jail I've had the opportunity of visiting and going in with the people who are incarcerated is the Cornwall Jail, and it's a little different from the Cornwall Jail.

When you are responding on the social contract, could you also arrive at a cumulative figure through 1996? I think it's important to know what the impact of that will be, along with what are perceived to be cost savings on an annual basis.

In spite of what my colleague from Durham East said, that all is well, I think the auditor did his job well in indicating the difference between the average cost per incarcerated person across Canada, around $100 per day, and here in Ontario, where it's $140. That has to be

addressed. I certainly hope that we, in the report that will be coming forth, will be able to shed some light.

We've had some people, most of them anonymous, who've sent us ideas about why some problems had occurred and some suggestions on how to solve them. It's not easy. We saw this morning in the Don jail here in downtown Toronto the many people who come and go on a daily basis, how closely they're guarded; you couldn't open one door without having the other door close. If anyone anticipated escaping from that place, they would have to really know the inner workings of it. I don't think it's happened in recent times. The security was very impressive to me, in spite of the fact that the section of the jail we visited was built in the mid-fifties.

1500

Those are basically my comments. I commend the auditor, and I hope that the deliberations here are able to assist you in making the public of Ontario realize that yes, maybe operating the penal system in the province of Ontario is more expensive—there's no doubt about it—because of the large concentration of population here in Toronto. We're starting to see some of the reasons why, but we also have to bear in mind that it's public funds being spent and it's considerably higher than the average—although quite close to Newfoundland, and I'm not sure why that is. But the volume of incarcerated persons here in Ontario that doesn't necessarily mean you're able to reduce the cost on a per-prisoner basis because of some of the needs we saw today, needs I had never realized were out there.

I'm pleased we've had the opportunity to look at this. I'm certainly pleased that the auditor brought it to everyone's attention, and we'll work towards fixing what can be fixed.

The Chair: Mr Mills.

Mr Mills: Rather than go back on my word, Mr Chair—I said I'd said enough and I think we've heard enough—I'm not going to ask any more questions.

The Chair: Then I have something I would like to deal with in terms of giving some focus to our own report. I'd like to go back to the auditor's report and raise a couple of items with you on which we may get some further clarification from you regarding some of the responses given in the auditor's report. I won't refer specifically; I'll try to shape this in a general sense, because we don't have the time to do that.

To quote your response to one section of the report, "We anticipate that the results of this review will provide a framework for determining future directions with respect to institutional and community programs." It had to do with programs, community programs specifically, in that section. The question is, when will you determine that this can be accomplished? As with all of the other responses, it has to do with timing, at what point this can be achieved.

Also, under "Protection and Security" the auditor goes on to say, "However, we noted that a number of recommendations resulting from operational compliance reviews, which were agreed to by individual institutions four to five years earlier, were still not implemented." Obviously that concerns us, and we would like to get a much more detailed plan about when some of the actions will be taken that you say will be undertaken once reviews have been conducted, and in some instances there are reviews that have been undertaken and are about to conclude. We want from you a more detailed work plan as to when some of these items will be tackled and what you foresee in the future as the action plan for implementation.

One final area had to do with the section "Inmates with Mental Disorders." Again there were a number of recommendations made in that section: "To develop a comprehensive strategy to provide mental health services that include court assessments, divergent community support and services to the increasing number of inmates with psychiatric problems who are in custody in our institutions." Again the question is, when can you deal with this? What timetable for dealing with this can you come back to us with? We want a more specific and more detailed plan as to when some of these areas will be tackled.

To go to one last section of the auditor's report, under "Protection and Security," the response to that section is: "The ministry agrees with the need for continuing vigilance in the area of security. Security has been and will continue to be of ongoing concern to senior management. As noted in the report, the ministry implemented annual security reviews for all institutions in 1992. These reviews will monitor compliance with security procedures and ensure they are strengthened where necessary." When and where will you make that determination, and what's the time factor involved in doing so?

That's a summary of what I think we will deal with in our report. We would appreciate—I think I speak for all the members—a report back to us about when we can expect that you would undertake some of these initiatives, at least having in place a work plan to deal with some of these problems; a list of those items you can deal with immediately and others that you'll deal with in the future.

Ms Noble: Certainly we can summarize what I hope we've managed to be discussing with the committee. I recognize that it's not always clear, as we've been moving through the questioning, how some of the responses may have related specifically to the responses we had given in the report.

Picking up on the security one, you've raised two elements, one having to do with the fact that the auditor had observed that certain recommendations may not have been followed up and that some period of time had passed. It's worth noting to the committee that in many of those instances, they may have been recommendations that involve fairly substantial investments in capital improvements, and in fact the ministry, while not actually implementing the recommendation made at the time, would have addressed the problem but through other means. I would not want the committee left with the idea that we leave significant recommendations of security unattended to.

However, in terms of the overall comment, we'd be pleased to come back with the specifics. To do a little cross-referencing at the moment, you raised the question

about the work we were doing in terms of the mentally disordered offenders. As we've heard in some of the discussions with Dr Humphries about his interministerial work with the Ministry of Health on these kinds of subjects, we've talked about working groups that are in place with them, so we can do a summary for the committee of some of the things we have been talking about during these last couple of days and certainly put the time frames you're requesting into that.

The Chair: I think that's what the committee would most appreciate, because our report will deal with some of the specifics around the auditor's report and point to recommendations for dealing with those. Obviously we'd want to know what your own initiatives might be in that direction and therefore give you an opportunity at some future date to tell us what you're doing in those areas that you feel you're in agreement with the auditor on.

Ms Noble: This is just to make sure; I have no objection to what's being requested. I hope we've managed in the course of these two days to talk about the things we are doing, so what we will be doing for you is identifying many of the initiatives we've been talking about and summarizing those, cross-referenced to the recommendations and our comments in response to the auditor.

The Chair: Let me thank you for your cooperation, especially for today's tour of the Toronto Jail. I think most members would agree with me that it was rather enlightening and rather interesting. We appreciate your coming before the committee, and we look forward to hearing from you at some point in the near future.

We will be discussing our report, which will be coming before the committee at some point once the House is in session. Included in that will be a number of recommendations, and I'm sure at some point we will want to deal with some of the directions you're taking, and you'll hear back from us at that time. I'd like to take this opportunity to once again thank you.

Members of the committee, we will call the meeting to an end and adjourn at this time. We meet again on the February 7, a week Monday. Thank you very much.

The committee adjourned at 1510.

CONTENTS

Thursday 27 January 1994

Annual report, Provincial Auditor, 1993:
Ministry of the Solicitor General and Correctional Services P-543

STANDING COMMITTEE ON PUBLIC ACCOUNTS

*__Chair / Président:__ Cordiano, Joseph (Lawrence L)
*__Vice-Chair / Vice-Présidente:__ Poole, Dianne (Eglinton L)
Bisson, Gilles (Cochrane South/-Sud ND)
*Callahan, Robert V. (Brampton South/-Sud L)
*Duignan, Noel (Halton North/-Nord ND)
Frankford, Robert (Scarborough East/-Est ND)
Marland, Margaret (Mississauga South/-Sud PC)
*Murphy, Tim (St George-St David L)
*O'Connor, Larry (Durham-York ND)
Owens, Stephen (Scarborough Centre ND)
*Perruzza, Anthony (Downsview ND)
Tilson, David (Dufferin-Peel PC)

*_In attendance / présents_

Substitutions present/ Membres remplaçants présents:
Akande, Zanana L. (St Andrew-St Patrick ND) for Mr Bisson
Haeck, Christel (St Catharines-Brock ND) for Mr Frankford
Jackson, Cameron (Burlington South/-Sud PC) for Mrs Marland
Mills, Gordon (Durham East/-Est ND) for Mr Owens
Villeneuve, Noble (S-D-G & East Grenville/S-D-G & Grenville-Est PC) for Mr Tilson

Also taking part / Autres participants et participantes:
Ministry of the Solicitor General and Correctional Services:
Humphries, Dr Paul, senior medical consultant and manager, clinical services
Jensen, Kurt, manager, analysis and support, correctional services
McKerrell, Neil, assistant deputy minister, correctional services
Noble, Michele, deputy solicitor general and deputy minister

Clerk / Greffier: Decker, Todd

Staff / Personnel: Anderson, Anne, research officer, Legislative Research Service

CA2ON
XC31
-P72

Government Publications



P-27

ISSN 1180-4327

Legislative Assembly of Ontario

Third Session, 35th Parliament

Assemblée législative de l'Ontario

Troisième session, 35e législature

Official Report of Debates (Hansard)

Monday 7 February 1994

Journal des débats (Hansard)

Lundi 7 février 1994

Standing committee on public accounts

Comité permanent des comptes publics

Annual report, Provincial Auditor, 1993

Ministry of Community and Social Services



Rapport annuel de 1993 Vérificateur provincial

Ministère des Services sociaux et communautaires

Chair: Joseph Cordiano
Clerk: Todd Decker

Président : Joseph Cordiano
Greffier : Todd Decker

Published by the Legislative Assembly of Ontario
Director, Hansard Reporting Service: Don Cameron

Publié par l'Assemblée législative de l'Ontario
Directeur, Journal des débats : Don Cameron

Hansard on your computer

Hansard and other documents of the Legislative Assembly can be on your personal computer within hours after each sitting. Sent as part of the television signal on the Ontario parliamentary channel, they are received by a special decoder and converted into data that your PC can store. Using any DOS-based word processing program, you can retrieve the documents and search, print or save them. By using specific fonts and point sizes, you can replicate the formally printed version. For a brochure describing the service, call 416-325-3942.

Index inquiries

Reference to a cumulative index of previous issues may be obtained by calling the Hansard Reporting Service indexing staff at 416-325-7410 or 325-7411.

Subscriptions

Subscription information may be obtained from: Sessional Subscription Service, Publications Ontario, Management Board Secretariat, 50 Grosvenor Street, Toronto, Ontario, M7A 1N8. Phone 416-326-5310, 326-5311 or toll-free 1-800-668-9938.

Le Journal des débats sur votre ordinateur

Le Journal des débats et d'autres documents de l'Assemblée législative pourront paraître sur l'écran de votre ordinateur personnel en quelques heures seulement après la séance. Ces documents, télédiffusés par la Chaîne parlementaire de l'Ontario, sont captés par un décodeur particulier et convertis en données que votre ordinateur pourra stocker. En vous servant de n'importe quel logiciel de traitement de texte basé sur le système d'exploitation à disque (DOS), vous pourrez récupérer les documents et y faire une recherche de mots, les imprimer ou les sauvegarder. L'utilisation de fontes et points de caractères convenables vous permettra reproduire la version imprimée officielle. Pour obtenir une brochure décrivant le service, téléphoner au 416-325-3942.

Renseignements sur l'index

Il existe un index cumulatif des numéros précédents. Les renseignements qu'il contient sont à votre disposition par téléphone auprès des employés de l'index du Journal des débats au 416-325-7410 ou 325-7411.

Abonnements

Pour les abonnements, veuillez prendre contact avec le Service d'abonnement parlementaire, Publications Ontario, Secrétariat du Conseil de gestion, 50 rue Grosvenor, Toronto (Ontario) M7A 1N8. Par téléphone : 416-326-5310, 326-5311 ou, sans frais : 1-800-668-9938.

Hansard Reporting Service, 481 Legislative Building, Toronto, Ontario, M7A 1A2. Phone 416-325-7400. Fax 416-325-7430

STANDING COMMITTEE ON PUBLIC ACCOUNTS

Monday 7 February 1994

The committee met at 1506 in the St Clair/Thames/Erie Rooms, Macdonald Block, Toronto.

ANNUAL REPORT, PROVINCIAL AUDITOR, 1993

MINISTRY OF COMMUNITY AND SOCIAL SERVICES

The Chair (Mr Joseph Cordiano): Today, as scheduled, we have the Ministry of Community and Social Services before us. Welcome. Perhaps the deputy minister could introduce the staff or have them introduce themselves. I'll leave that in your capable hands.

Ms Rosemary Proctor: I would be very happy to introduce the staff who are with me: Dale Elliott is a program analyst with responsibility for young offenders programs; Peter Gooch is the project manager for the children's policy framework in our children's policy branch; Sue Herbert is our assistant deputy minister responsible for the program management division; and Heather Martin is the coordinator of children's services in the program management division.

The Chair: I suppose you have an opening statement you would like to deliver to members of the committee. Then normally we have questions by members of the committee following that statement and that's how we're going to proceed for the number of days we have with you. Once again, welcome to the committee. We're here to hear what you have to say.

Ms Proctor: Thank you very much. I appreciate the opportunity to be here. In order to provide a context for the discussion over the next few days, I'd like to set the stage very briefly with a short overview of the children's services area in general and then focus on the two specific children's programs that are under discussion. These are the child and family intervention program, which we sometimes, for the sake of brevity, refer to as CFI, and the young offenders program. These were the two programs reviewed by the Office of the Provincial Auditor in its audit of the ministry.

At the outset, I would like to thank the auditor for his thorough and thoughtful advice. His recommendations have been carefully studied by staff and will help the ministry to ensure that the programs it funds under the child and family intervention program and the young offenders program are provided as economically and efficiently as possible.

Our constant goal is to provide, and improve, appropriate services for children and their families in the province. Many of the findings and recommendations of the auditor's report reinforce action that is already under way in the ministry, action that is designed to refine ministry policies and to make sure that children's services provide the greatest benefit for children and families across the province.

The ministry's direction for children's services today is guided by the Policy Framework for Services Funded Under the Child and Family Services Act. This is more commonly referred to as the children's policy framework. We have brought copies along for members of the committee.

This framework, which was released by the ministry last summer, sets out six major directions to guide changes in services funded under the act. Some of these services include protection of children in need, young offenders, children requiring mental health services, children with disabilities, and children who have other special needs requiring child and family intervention services. The document also provides specific strategies and objectives that will address many of the auditor's comments, findings and recommendations to the ministry.

This framework as well builds on the work of Children First, the 1990 Report of the Advisory Committee on Children's Services, and on the ongoing work of the Premier's Council on Health, Wellbeing and Social Justice. It is also supported by other ministries in the government that share our concern for children.

The reason I'm mentioning the children's policy framework at this juncture in my remarks is because I will be making reference to it quite frequently as we discuss the two programs under discussion.

The child and family intervention program is one of five service categories contained in the Child and Family Services Act, which is commonly referred to as the CFSA. This is a provincial act designed to promote the best interests, protection and wellbeing of children and their families. It incorporates all the services to special-needs children within one piece of legislation.

The young offenders program, on the other hand, responds to the federal government's legislation, the Young Offenders Act, and it governs the custody and rehabilitation of children who have come into contact with the law and the justice system.

It's important to note that Ontario administers services to young offenders through the Child and Family Services Act. Consequently, all the principles, regulations and intents of the CFSA also apply to young offenders. That is what we mean by the fact that the ministry's reference to young offenders is part of the broader children's network.

I would like to start by briefly describing the child and family intervention program. This program accounted for $189 million in expenditure, or 14% of the $1.3-billion children's budget in 1992-93. It is important to note that the $1.3 billion identified in the estimates also incorporates child care and developmental services for children. If you factor out these services, the ministry's budget for children's services is $850 million and the CFI portion of this amount is about 22%.

Under the CFI program, the ministry funds about 200 agencies that provide a combination of residential and non-residential services. These agencies use multi-disciplinary professional approaches to help alleviate a range of social, emotional and/or behavioural difficulties

in the context of the family and in the community.

The ministry's role in relation to the transfer payment agencies that provide these programs and services is to establish provincial policies and guidelines, as well as to provide the funding so that they can carry out their work effectively.

The children served by the CFI agencies range in age from preschool to adolescence. Many of the children have multiple problems and needs that cannot be met by any single service category. The services provided as CFI programs are generally provided by children's mental health centres and/or children's and youth institutions.

The problems addressed by these agencies include family breakdown, physical and sexual abuse, alcohol abuse and addiction, teenage pregnancy, conflict with the law, depression and attempted suicide. In order for the committee to have a fuller appreciation of the range of programs, I'd like to take a moment and list some of them for you.

Day treatment programs allow children to attend an agency for a full day program of treatment that may also have a special school program attached to it or affiliated with it. Examples of this are a children's mental health centre program or a day treatment program for youth who are addicted to alcohol.

Counselling with children and families: Examples include peer counselling or peer group services for victims of child sexual abuse and pre-natal counselling for teenage mothers.

Prevention programs are also funded under this category, programs that are aimed at preventing or reducing emotional, social and behavioural problems in children. Some examples of this would include street outreach programs, parenting skills for teen mothers and drug prevention programs.

Maternity homes offer both residential and non-residential pre-natal and post-natal support services such as pre-natal and parenting classes, life skills training and referral services. Although maternity homes often offer services to young people who are over the age of 18, the intent of these programs is preventive. For example, single teen parents are considered vulnerable because of their age. Maternity homes provide a support service geared to the healthy development and care of their infant. The infants served by these agencies are considered especially vulnerable and at risk.

Finally, residential services are provided to children who need more intensive help than can be offered through day programs and/or counselling services.

The auditor noted in the report several areas where improvements are needed, and we agree. He also noted several strengths, and I would like to just mention those. The strengths the audit report highlighted included compliance with licensing procedures; compliance with the staffing requirements of the Child and Family Services Act, particularly with the ratios and qualifications of staff; the policy framework directions, to which I alluded; the number of program reviews completed; the accountability process was regarded as generally satisfactory; and procedures to ensure that agencies are funded according to approved budgets.

However, the auditor also drew attention to some areas of the CFI program where improvement was felt to be needed. The ministry agrees with these findings and is already working to address these. It would be appropriate, therefore, for me to go through some of the auditor's specific concerns to update the committee on the work that we've already begun to improve the CFI program.

The auditor noted that the CFI funding was used to serve children who are the responsibility of the children's aid societies. However, it was always the intent of the CFI program to be able to provide a range of services as effectively as possible which the specific children's aid society may not in fact provide. The ministry agrees with the auditor's concern and will provide greater clarity in defining the CFI program to ensure proper accounting of program costs.

The auditor expressed concerns about consistency in the reporting of serious occurrences. The ministry has strengthened its policy and has issued a communiqué to all our area offices and service providers in the transfer payment system. The communiqué clarifies the definition of "serious occurrences" and provides further direction to area offices and to service providers about their roles and responsibilities in the submission of serious occurrence reports.

Although the auditor was pleased with the ministry's approach to service planning, he expressed concerns about the timeliness of service plan submissions and approvals, noting that service plans were not approved until well into the fiscal year.

The ministry will respond to the auditor's concerns by issuing a directive to the area offices that requires them to ensure that all service plan documentation for the period of time reviewed by the auditor is up to date by the end of this fiscal year.

However, it should be noted that service plan approvals will be further complicated in 1993 by the application of the expenditure control plan, the constraint in children's services, and the impact of the social contract and global budgeting. All of these will help to delay the service plan approvals again this year.

The revisions for the 1994-95 service plan, for the year we're getting ready for, are virtually completed, and that document will be distributed on time for the coming fiscal year. Just the same, we will continue to investigate other ways of addressing the timeliness issue in the longer term.

The auditor noted that although the ministry has standardized expectations for reviews of residential programs, it does not have the same requirement for non-residential programs. However, the ministry will develop standard expectations for program reviews of non-residential programs that mirror our expectations for residential program reviews.

I think it's also relevant to note that the auditor discovered that there were waiting lists for services in the 20 agencies that the staff reviewed. Although the ministry recognizes that the demand for services exceeds supply, there are two main reasons why we don't know exactly

how many children are awaiting CFI services. First, the agencies keep their own lists independently from one another, and many parents may place their child's name on more than one agency list and then not remove that name after a crisis has passed.

1520

The ministry wants to minimize the extent to which people must wait for service. To this end, we have been working with our service providers to identify alternative methods of providing services that are designed to reduce waiting lists. For example, brief, focused therapies are being investigated, along with intensive in-home supports for families. Both are designed to keep the family unit intact.

Through CFI agencies, parents are also being encouraged to develop new strategies to cope with and respond to their children's behavioural problems. There's examination of other short-term interventions that respond to immediate child and family crisis situations.

A number of agencies have successfully implemented these approaches by matching services to children and family needs more appropriately, which is having a positive impact on waiting lists. Consequently, we are encouraging better collaboration among agencies and better integration of services to make sure children and families get the right service at the right time.

I would like to move now to addressing the auditor's remarks around the young offender program. This program consists of a range of community and custodial services for youth who have been charged or who have been found guilty of an offence under the Young Offenders Act or the Provincial Offences Act. As mentioned earlier, the Young Offenders Act is federal legislation that is administered by the provinces.

The Ministry of Community and Social Services is responsible for young offender services for youth aged 12 to 15 at the time of the offence. The Ministry of the Solicitor General and Correctional Services provides young offender services for youth aged 16 to 17 at the time of their offence. The two ministries work collaboratively with the Ministry of the Attorney General, which is responsible for the administration of justice.

One of the best concrete examples of this interministerial cooperation is our work together with the justice review project. This project has the mandate to develop an implementation plan to integrate services among the ministries for young offenders in Ontario. Young offenders have been designated as a priority group by this ministry under the children's policy framework and, as such, their needs must be addressed in any given community in Ontario.

In planning and delivering young offender services, the Ministry of Community and Social Services is challenged by dual mandates of meeting the needs of young offenders and the protection of society. These mandates are given through the principles and provisions of the Young Offenders Act and the CFSA. Our service philosophy for young offenders provides the foundation for meeting both mandates.

The key to this philosophy is the balance between short-term and long-term protection of society. Short-term protection means providing the proper security and safety to the public, staff and youth. Long-term protection means changing the behaviour of young offenders for the better so that they are less likely to reoffend.

Young offender services are provided either through direct delivery by the ministry or through a contractual agreement with a community transfer payment agency. This delivery model is different from that identified for the CFI programs, where all the services are provided by transfer payment agencies. The ministry is therefore setting the direction and priorities for young offender services, but actual delivery of services involves partnership with agencies and boards of directors.

The ministry currently provides the following programs and services under the Young Offenders Act:

—Reports for the court, where the ministry probation staff prepare all predisposition and pre-sentence reports. In addition, probation and/or facility staff provide progress reports for court reviews.

—Detention, in open and secure residential settings for youth waiting for a court appearance.

—Alternative measures, which provide an alternative to formal court proceedings for less serious and/or first-time offences.

—Probation services, in which the ministry's probation officers provide case management to all young persons receiving a probation or custody disposition. Case management is the responsibility for coordinating and/or providing the relevant services to a young offender to ensure compliance with court orders, to maximize opportunities for rehabilitation and to contribute to the protection of society.

—Community and personal service programs are designed to supervise young offenders to complete a community service or personal service to a victim.

—Open custody provides community-based residential care for young offenders in different kinds of facilities, such as foster homes, group homes, children's residential centres, children's mental health centres and wilderness programs.

—Finally, secure custody, which is residential care with the ability for secure containment of young people according to the definition in the YOA.

I'd like to give you an indication of the increased service needs from 1990-91 to the present. The total numbers of days per year for open custody and detention has risen from 177,142 to a projection of 208,376 for 1993-94; secure custody and detention days for the same period of time have gone from 107,000 to 129,758; total admissions for open and secure custody have risen by approximately 2,000; probation admissions went from 7,056 to a projected 9,448 in 1993-94; and those taking part in the alternative measures admissions have risen from 4,456 to a projected 5,000 in 1993-94.

Mr Cameron Jackson (Burlington South): I'm sorry, what was that last figure again?

Ms Procter: About 5,000 projected in 1993-94?

Mr Jackson: Before that?

Ms Procter: Last year, about 4,456; that's just a one-year number.

In 1992-93, young offender expenditures totalled $118 million, or 9% of the $1.3-billion budget in children's services. Again, if you factor out child care and developmental services for children, that figure changes to 13.8% of the children's services budget.

There are four particular points the auditor raised in his report on young offender services, and I'd like to take just a couple of minute to review each of these.

In response to the finding that there appears to be a lack of documentation on file to support compliance with all terms of court orders, the ministry will clarify accountability expectations through the standards and guidelines in the Young Offender Services Manual.

Introduction of a common risk-need assessment instrument will standardize the basis for case management decisions, and this will help staff is accounting for use and discretion. It will also assist staff in determining the type and level of service required and will help improve the ability of the sector to target available resources to clients based on individual needs.

In response to the auditor's recommendation for a formal review process to ensure that service providers comply with the Young Offender Services Manual, the ministry has taken several steps. First, we've identified the standards in the Young Offender Services Manual that can be integrated into the children's residential licensing process as a means of structuring regular compliance reviews. The ministry's also working to position standards compliance in the broader context of the children's policy framework and agency accountability.

The auditor recommended an improved process for equitable allocation of funds based on priority of needs. We recognize the need to address this, but also note the challenge when the ministry does not control intake into the system. Resource requirements can fluctuate geographically and over time. The ministry's working on a plan for young offender services that will provide direction for the services in the short and long term in the context of the children's policy framework.

In addition, the strengths and enhancements noted in my previous remarks on CFI—for example, licensing, policy directions of the framework, serious occurrence reporting and timely service planning—are all applicable to young offender services as well.

Finally, I would like again to express the ministry's appreciation of the work done by the Provincial Auditor in relation to both the CFI program and the young offenders' program. We believe the services we try to provide to people in these programs are of a high standard, but we recognize as well the need for continued improvement.

To this end, we will continue to work closely with our agency partners in the community and with our colleagues in other ministries to provide the best support we can to children in need throughout the province, as well as supports to their families.

1530

The Vice-Chair (Ms Dianne Poole): Thank you, Ms Procter. We'll begin with questions from the official opposition.

Mr Robert V. Callahan (Brampton South): I'm not sure if you addressed the documentation the auditor was unable to find in regard to how and where young offenders who were placed in secure or open custody were placed. What are the criteria? Is one of them being as close to their parents as possible? If that's the case, assuming the auditor's comments are correct, how can you possibly determine how effectively you've met that criterion?

Ms Proctor: I'll respond briefly to that and then ask Dale to add anything, if that's appropriate. The kinds of criteria we try to take into account include the closeness, the proximity to the young offender's home and community, the availability of an appropriate service for that individual in that community and other factors. I'd like to ask Dale if you could continue to respond to the factors we could consider there and our success.

Ms Dale Elliott: The first factor we take into account is the court disposition, whether it's open or secure custody, and we've tried to develop a range of programs geographically that, as an initial step, a youth who receives custody or detention in a geographic area can go to a facility as close to home as possible. The kinds of criteria from there then go to the ability to keep youth close to home, to parents, to other services that are being provided in the community, to a lawyer, to closeness to court for return dates.

On intake, young offenders go through a classification process that begins to identify the main needs and set goals. Basically, through case management is the method to set the goals and the methods to achieve them during the length of time and the type of disposition we've got. If a youth has needs that are clearly beyond a particular facility in a geographic area, then it may well go to searching for a facility farther from home, and again, a case management decision on which weighs more, the ability to go into some specialized programming or keep a youth closer to home.

Mr Callahan: For your probation officers who prepare the predisposition reports, are there criteria or is there a policy that's laid down in terms of—I'm looking basically at the alternative measures program. I've seen instances where the crowns who assess these things simply have a fixed position that a person might be a first offender, yet the crime is one that's alleged on the facts to be not acceptable to them.

Is there a policy set out for the people who prepare the predisposition reports in terms of what they think the situation should be, because of course they're recommending to the judge in their predisposition report what ultimate step should be taken. Can you tell us what those policies are, if there are any?

Ms Proctor: I would like to ask Dale again to respond to the question of the policies with respect to predisposition reports.

Ms Elliott: Predisposition reports start with categories and content set within the legislation. Every probation officer must answer the questions or the categories in the

legislation, and that includes family background, employment history, school history, history of previous offence. There are a number of categories set out in the legislation that we must respond to in every predisposition report.

Since 1989, in an attempt to bring more standardization to the kinds of factors that are considered in making recommendations, the field has been working with a number of interim risk indicators which were developed in 1989 following a review in the residential system.

Nine common indicators of risk or need were basically agreed upon by the field as an interim way to be sure to ask all the right questions in an inexact field. All probation officers have been screening young offenders according to those nine risk indicators, and based on the presence or absence of those indicators have come up with a judgement, an assessment of the level of risk or the needs of young offenders and have used them to guide recommendations.

Where we're at now when we introduced those indicators, it was recognized that we would want some further validation if they were the right indicators or the best indicators. We've completed the validation and have now developed and are in the process of being prepared to implement a common risk-need assessment tool for the field that will assess, based on indicators that have been validated by literature review and research, to be a good and reasonable basis on which to make recommendations. So we're in transition.

Mr Callahan: It's not part of the auditor's report, but I'm curious: Is there any monitoring of where youths who are arrested for an offence, let's say in the younger level of young offenders, are held between the time of arrest and the time of their first court appearance. I've heard of instances where they've been kept in police lockups. Is that confirmed by your own review, and if it is, why has something not been done about it to ensure they're detained in some other facility than a police lockup?

Ms Proctor: I would like to ask Sue Herbert to speak to that issue, please.

Ms Sue Herbert: There are requirements around where youth are held, particularly in terms of the nature of the facility they're held in. I think it would be fair to tell you that we have had differential practice across the province, depending on local facilities. It's an issue for us that we're working on with our colleagues in the SG. If you have particular incidents or locations, we might be able to speak to some of them.

Ms Elliott: I think there's a further distinction for us in what we monitor, in that the Young Offenders Act provides for two types of what you would call detention. One is in the custody of a police officer. It may be that they've been apprehended and taken to the police station for processing, for questioning, for calling of parents, for calling of a lawyer. That period of detention is monitored by police stations and by police services. Once the police bring that youth to a detention facility, it becomes this ministry's responsibility of which facility that youth will be in.

Certainly, in those, again as Sue said, we have an intake facility geographically, and for the most part, except for anyone age 12 to 15 at time of the offence, if a particularly young and vulnerable youth was admitted to a facility from a case management perspective, one of the things—say you had a very sophisticated population there at the time. In a case management evaluation, we would look to analyse if that was the best place for that particular very young offender.

If we became aware of any instance of a youth being admitted to detention, if they made comments about, "I've been sitting in a police cell for two days," or any other such comment—I'm not aware of any such—certainly at that point part of our role would be to find out about that, to speak to the parents, to speak to the youth's lawyer, to speak to the police. I'm not aware of any specific situations of that.

Mr Callahan: What I'm getting at, is there any follow-up by the Solicitor General or the Attorney General in terms of determining whether they're—I'm not as terribly concerned about the youths 16 and on; they can probably handle it. But a kid 12 to 15 being held in a police lockup overnight is not, to me, either within the spirit or the letter of the Young Offenders Act.

The second thing I would ask is, how many, if any, inquiries have you, the Solicitor General's office or the Attorney General's office, made in terms of how many youth, when asked, don't have either a parent or a lawyer in attendance when they're being questioned?

Mr Anthony Perruzza (Downsview): What's the point?

Mr Callahan: If you listen, you'll find out, okay?

Ms Elliott: I'm sorry, I'm just not aware or able to speak for the Solicitor General. I don't know of any cases where a youth would be detained in a police lockup overnight. There may be cases which, if there were, most of the time—

Mr Callahan: Quite frequently.

Ms Elliott: Then maybe, as Sue suggested, those could come to the attention—often youth are held in an office with an officer or at the sergeant's desk or in some other facility where supervision is provided by police officers, rather than being placed in a police cell.

1540

Mr Callahan: I think you had better develop a policy for determining that, because I would think you'd find that there are a lot of instances where they are in fact kept in a police lockup overnight and produced the next day in court. You should have a policy in terms of determining that. You should also have a policy in terms of determining a trend of how many times a youth turns down the assistance of either a parent or a lawyer before they're questioned. I don't have any further questions.

Ms Proctor: I'd be happy to follow up on that particular issue. We'll need to consult.

Mr Callahan: Yes, I'd like to get some stats on it, or what policy is out there to monitor that.

The Vice-Chair: There is an additional five minutes of your time. I had hoped to be back in that seat by now, that the Chair would be back.

Mr Callahan: I'll sit there.

The Vice-Chair: If you wouldn't mind.

The Acting Chair (Mr Robert V. Callahan): We'll now move on.

Ms Dianne Poole (Eglinton): Thank you, Mr Chair, for your indulgence, and to the ministry staff, I'd like to talk to you about the serious occurrences and the disparities that the auditor noted in the reporting of the agencies to the ministry. The deputy made some comments in this regard and said you have determined that there indeed was a problem, although things have significantly improved, that you've sent out a communique to all service providers and, I assume, area offices, those involved, delineating what the rules are. What I would like to know is, have these types of memorandums gone out before?

Ms Proctor: Yes, they have. I would like to express initially the seriousness with which we take this whole area of reporting and the importance of reporting on any kinds of serious occurrence related to the wellbeing of children. The ministry has taken efforts over a number of years to improve our practice and improve the practice of agencies in that regard. I would like to ask Sue Herbert to speak a little more to the pieces of that work that are currently under way.

Ms Herbert: Ms Poole, your question alludes to the long history of the ministry and serious occurrence reporting. If I could start with a little bit of a historical view, the ministry's long had a practice, particularly in children's service, of requiring serious occurrence reports to be filed. I would think that before 1990 the practice was sloppy, at best, to be quite frank, and one of those issues that needs cyclical reminding. We have a large service system in this small component of children in the CFI area. We have 217 agencies. They serve 40,000 admissions a year, so that's a substantial size to keep track of through serious occurrence reporting.

In 1990, we had a safeguards report that was published. It was chaired by Joanne Campbell. One of the issues they raised was the looseness of our serious occurrence reporting guidelines. At that point in time we undertook a major revamping. We broadened the category of individuals who were to be included in the guideline and also we're much clearer about the nature of things that we wanted reported. That was implemented and the auditor references this. There was a requirement for trend analysis. What was happening with many of the reports was they were being filed somewhere and no one was adding them up or looking at them in a collective kind of way to see what it was telling you both about the individual agency or what was happening across the service system.

We did that requirement and then we, ourselves, did a further follow-up review to see how the field, both our agencies and our own area offices, were implementing the serious occurrence reports. What became clear to us was that the trend analysis, which was the new piece of the guidelines, was being done in a rather haphazard fashion. That's the reference the auditor makes in his report.

As a result, we then went and designed a format for trend analysis, so that in actual fact we made it easier, if you like, for our area offices. Sometimes standardizing and putting forms on things makes them a little easier. You have to fill the form out. Then we also said that you have to send your trend analysis to corporate offices, which will monitor that they have been done. That's a fairly new directive—I don't know, Heather, when the last was?

Ms Heather Martin: December.

Ms Herbert: It was December. It was in part as a result of our own review and in part in response to the auditor's report. We have tightened up on what I would call both the monitoring end of this, from the perspective of agencies sending it up to area offices, and area offices then supplying their trend analysis to corporate, both as a monitoring tool and as a way for us to see what's happening across the province. As well, we've done a fair amount of training in this area.

Because of the volume of activities and daily activities that happen in the interchange between agencies, staff and children, it's an area that needs constant vigilance.

The Acting Chair: We're going to move on to the third party.

Mr Jackson: I don't mind extending some time to—not of my time, but I'll go to 20-minute segments. She's in the line of questioning and I still haven't finished editing something I wanted to ask.

The Acting Chair: Is there unanimous consent we extend that to 20, and then 20 to the third party and 20 to the government?

Mr Pat Hayes (Essex-Kent): We're always very cooperative on this side.

Mr Jackson: I knew there would be if you showed up, Pat.

The Acting Chair: Thank you, Mr Hayes. That's fine, if you want to continue.

Mr Perruzza: Are you asking for everyone's consent or not?

The Acting Chair: We're asking for unanimous consent. Do we not have it?

Mr Hayes: Carry on, Mr Chair.

The Acting Chair: Turn his light out.

Mr Perruzza: Only because it's Cam and I like him.

Ms Poole: I think the inference is that he doesn't like me, but that's all right. Do I have more than a minute left of my five minutes now?

The Acting Chair: It's one of those sphinx questions and we've got to figure it out.

Ms Poole: I thank Mr Jackson and committee members for allowing me to continue because I did have a number of other questions.

When I was involved in this area, which was a very long time ago, in the early 1970s, one of my responsibilities as an adoption review officer in child welfare branch was to monitor the registry. At that time it was before computerization, or we certainly weren't computerized in that sector and everything was done by hand.

One of the concerns I saw was that while there was the requirement that children's aid societies, for instance, would report these incidents of abuse—sometimes they

did and sometimes they didn't—there were instances where if a child and family moved to another jurisdiction, many times the children's aid society did not notify the new jurisdiction, either because it didn't know where they'd moved or because simply it wasn't in its jurisdiction any more so it washed its hands of it.

The only way we could track this was if there was a second occurrence of abuse and that new children's aid society was made aware at that particular time, because we could then tell it there was a history and it could contact these other children's aid societies.

I'm wondering what has changed in the last 20 years that would try to eliminate that problem of jurisdictional dispute to ensure that the children's aid societies do make sure that not only you know but that the new jurisdiction would know?

Ms Herbert: Just by way of introduction, on the serious occurrence side, we monitor those almost as a process of monitoring agency performance. In terms of abuse incidents across jurisdictions, it's a slightly different, though related reporting. I'm going to ask Heather to talk about that.

Ms Heather Martin: For child abuse issues there is a tracking mechanism across all the CASs where they actually have alerts that are sent from executive director to executive director. That exists not just within the province of Ontario but all across Canada and sometimes the US as well. That's one way of tracking an issue of abuse or issues of concern that a family or a child may be at risk as well if a family is moving from one jurisdiction to another.

Ms Poole: Could this alert be province-wide? For instance, if they know the family had moved and they didn't know the new location.

Ms Heather Martin: Yes, in fact it is. What happens is that if a CAS executive director in one community believes the family may be anywhere in the province of Ontario and/or elsewhere in Canada, the alert system automatically goes into play.

1550

Ms Poole: The memorandum has gone out now saying that the ministry is quite serious in enforcing the law and the regulations and that they must report. What follow-up do you have or do you plan to ensure that if there is silence from the particular children's aid society, it's remedied?

Secondly, if there are repeated instances where the children's aid society, while it may be doing its own job, doesn't like reporting to the ministry—if I recall, that probably hasn't changed all that much. What mechanisms do you have to ensure that they are in fact reporting to you? What can you do if they don't, on a repeated basis?

Ms Heather Martin: I'm not really clear on what you're asking, so I'm going to ask you to reframe it for me.

Ms Poole: You want it a little bit clearer, which is quite understandable.

You have sent out this memorandum to all the agencies. What if you have an agency, whether it be a children's aid society or another agency, that you don't hear anything from? You have your quarterly reports; they don't respond to the quarterly reports. What mechanism do you have, as a ministry, to enforce it and to ensure that they give you those quarterly reports and report instances—

Ms Heather Martin: It's an automatic thing that comes through the area office. If it isn't at the area office, then the program supervisor will follow up with an individual society. That's our way of tracking it. Also, when things come in corporately, we will track to make sure that serious occurrence reports are filed.

If an agency has an identified problem with serious occurrences, it's also another check for us, because we're able to follow up and say, "You've apparently had a number of abuse allegations at this particular facility." We're able to take the serious occurrences they have used and we're able to track if there's a specific problem related to how staff are handling behaviour management issues, for example, and provide them the appropriate training so that those kinds of things aren't happening.

Ms Poole: You're satisfied that the agencies will respond in every instance to not only your memorandum but the follow-up, that there wouldn't be a problem where the ministry had to enforce.

Ms Herbert: I think it would be fair to say that we've had incidents where we have had to deal with the board directly. One of the changes in the guidelines here was that the reports also have to go to the board, that the board understand that they have a responsibility here as well. These reports are very important for a board to know how they're doing in this area as well, so we've tried to strengthen the relationship with the board and the accountability with the board.

We all know that the agencies that don't report they have issues are the agencies one has to worry most about. That's one of the dilemmas for program supervisors as part of their responsibility in supervising agencies, to be aware not only of the trend where you have numerous and similar issues being raised but of the organizations that don't raise any at all, because when you're dealing with this client group, you're going to have issues raised. So we try to watch both ends of that spectrum.

Ms Poole: It's really your early warning system.

Ms Herbert: Yes.

Mr Jackson: I wonder if you're able to share some of the statistics. First of all, the auditor freeze-framed the 1992-93 fiscal year. I'm looking at statistics on page 47 of the auditor's report which compare the various custody and detention programs for young offenders. Do you have those similar statistics worked up for the previous year?

Ms Proctor: I think we do, if you'll bear with us just for a minute, because we do have some numbers. I have here, from 1990-91 to 1993-94 for the young offender services, transfer payment dollars. Is that the area you were looking at?

Mr Jackson: All of that would be helpful. Since we're going to be together for three or four days, it's perhaps helpful if I ask for certain materials which the committee might work with in terms of looking at various issues contained in the auditor's report.

I'm very interested around the whole issue, not to oversimplify the issue, that the auditor identified of court-ordered placement and not having secured court-ordered placement in accordance with a court order. Part of that would have to be about having a placement for that person to go to.

When I hear from you a 22% increase since 1990-91 in terms of the open and secure custody component, and I know that we haven't built a lot of facilities since 1990-91, I think it would be helpful to the committee's understanding and also to the problems facing the ministry if we somehow were able to look at the number of available places that young offenders can go.

You don't control the rising cohort of young offenders requiring attention, whether it's court-ordered or not; however, you do have the responsibility to deal with them once they are identified. I suspect that it would be helpful. At least I hope that during the course of the next four days I can get a better sense of how we're able to meet that demand, given that we're not producing additional spaces. Can you help us to understand—perhaps other members are interested; I certainly am—with respect to the number of beds that are available in the secure custody and secure detention and open detention if it's a schedule 2 facility?

Ms Proctor: I have some of the numbers here in terms of the facilities that are available now and I'd be happy to provide those. I'd also be happy, if it would be of use to people, to put together a bit of a package that I can share with members of the committee and sort of walk through it in an orderly way. I think we could organize that for tomorrow if that would be useful.

Mr Jackson: Okay. Let me share with you some of the areas I'd like to probe, and then you can go away this evening with some of that stuff that I would like to examine in a little more detail.

There is the definition of a certain type of facility here, and let me make sure I'm using the right language, community-based secure facilities operated by ministry non-profit transfer agencies. There are commercial transfer agencies serving young offenders. Could I get a better handle on the number of schedule 1 and 2 facilities which are commercial and those which are ministry non-profit? I'd like to look at whether we're getting greater value or not greater value for placement referrals in either of those settings.

Ms Proctor: I can give you the number of transfer payment facilities and the number of beds that are operated by—

Mr Jackson: That's what I'm looking for.

Ms Proctor: —agency or board-operated programs in the secure residential versus the number of secure residential beds provided by ministry directly operated programs.

Mr Jackson: That's extremely helpful.

Ms Proctor: At this point, I could run through that briefly. I'll list the number of facilities operated by transfer payment agencies. There's Rotherglen Centre—I think I'd better get Heather to read these numbers out, because I'm not sure which goes where. I'll ask Heather to go through that.

Ms Heather Martin: In the transfer payment secure residential, we have Rotherglen Centre; Pinager Youth Centre; Algoma Youth Centre; Sudbury Youth Services; Creighton Youth Services; North Bay Secure; Craigwood Youth Services; Hope Manor; Maryvale; Family Services Youth Centre, which is actually Old Arrell in Hamilton-Wentworth; and St John's School for Boys. Those are the actual transfer payment—

Mr Jackson: Eleven.

Ms Heather Martin: There are 204 beds there.

Ms Herbert: Just to be clear, in the secure settings, in transfer payment there are 11 sites and 204 beds. In the directly operated—those are the programs that the ministry operates—there are—

Mr Jackson: What's the classification of those beds, what schedule?

1600

Ms Herbert: We don't schedule them. It's just a transfer payment secure setting.

Mr Jackson: Secure residential.

Ms Herbert: Yes, so they would offer both secure custody and secure detention.

Mr Jackson: What's the difference between secure custody and secure detention?

Ms Herbert: Dale, do you want to describe the difference for us?

Ms Elliott: According to the Young Offenders Act, detention is before the court has given a disposition, so it could be before there's been a finding of guilt, or it could be there's a finding of guilt and they're awaiting reports or something before the court actually gives a disposition. Custody is an actual disposition under the Young Offenders Act.

Ms Herbert: Those 11 are all non-profits in a secure setting. We also have six sites which are directly operated by the ministry, so it's the ministry's own staff. Do you want the list, the names of those, Cam? Do you want to go through those, Heather?

Ms Heather Martin: Ottawa Youth Detention Centre; Thistletown Regional Centre, Syl Apps Campus; York Detention Centre; Arrell Youth Centre; London Detention Centre; and Project DARE.

Mr Jackson: How many beds?

Ms Heather Martin: There are 154.

Ms Herbert: In open custody, we have a total of 647 beds, of which 477 are what we call contracted beds, that is, we have a service contract with them, and 170 are per diem beds, that is, where we pay when there is a child in that bed. Whether I can separate them by non-profit and profit is a good question. Can I do that?

Ms Elliott: Not here; we don't have that.

Ms Herbert: We can do that for you.

Mr Jackson: That's fine. There are 477 contract beds and are these are scheduled?

Ms Herbert: No, again, just a service contract with the agency. An example would be Dellcrest, which is a children's mental health centre that also runs a contracted

program for young offenders, and so it has a contract with us.

Mr Jackson: So many beds within the facility are designated for—

Ms Herbert: Young offenders or it might be a separate—

Mr Jackson: —young offenders in conflict with the law and medical complications.

Ms Herbert: Generally speaking, the facilities are separate. In Dellcrest's case, they have a separate—

Mr Jackson: Wing.

Ms Herbert: Or a separate building somewhere else in the city, and in other cases they will provide services simply for young offenders. They will be a young offender agency.

Mr Jackson: That's open custody, after court.

Ms Herbert: Yes, so it's a court disposition which says "open custody."

Mr Jackson: Open detention?

Ms Elliott: Most of the facilities are dual designed, and that means they can provide detention or custody, so we don't have a series of detention facilities across the province and then a series of custody facilities. You have one facility, say, a 10-bed facility, which is able to take open detention or open custody, depending on what is referred from the court or the police at a given time.

Mr Jackson: Are the per diems the same?

Ms Elliott: For detention and custody, yes.

Mr Jackson: So you can change the classification of the client and the bed, but not the funding.

Ms Elliott: Right, in that they are providing custodial services to custody and detention clients. Detention clients have the same level of custodial care. It's the same bed, the same food, the same occupying of a space in a facility.

Mr Jackson: I understand that.

Ms Elliott: The programming may be that a youth in detention isn't there as long, in that the stays in detention are less, but when we work up a budget with an agency operating a 10-bed facility, it works out what it costs on a daily basis to have a youth in one of its beds, be that a detention or a custody bed.

Mr Jackson: Does that account for the per diem approach?

Ms Elliott: Roughly, yes. Most agencies would work it up from a per diem.

Mr Jackson: There's no correlation between the commercial and non-commercial agencies in terms of per diems, the per diem approach?

Ms Herbert: Historically, the per diem approach has been a bit of a cost-saving for the ministry because you only paid when the child was in the facility. It has its drawbacks as well. We have non-profit agencies which provide per diems and we have profit agencies which provide per diems.

Mr Jackson: The operative word is "commercial."

Ms Herbert: Commercial.

Ms Elliott: Are you looking for, is there a substantial increase in cost for the commercial operators or are they more expensive?

Mr Jackson: I know they're not more expensive. I just want to see how much they're in decline.

Ms Proctor: In terms of finding the number of facilities which are either commercial or not commercial in terms of open custody and detention, we need to provide that information. We have the secure but not the open here and the secure are all non-profit. I will undertake to provide that information for you.

Mr Jackson: Okay. The six government-operated facilities had bed availabilities reduced during the course of the audit, for a variety of reasons. Some were ministry reviews. Some were the front end of the expenditure control plan. Is it possible for you to share with us what the numbers have reduced or increased by?

Whenever I see a statistic, it's either an average or it was picked on that day. I want to try to compare, if I can, the demand versus the number of beds that are available. I'm familiar with the beds that were closed at Thistletown and the two other agencies that are directly run by you. I don't know nor do I have a handle on the 11 agencies, but there must have been times when beds were not available, correct? Would that not affect the ability of your ministry to place a client in accordance with a court order if the beds were not available?

Ms Proctor: I'd like to respond two ways. One is in terms of the bed availability and the number of beds over time. That's something we could provide further information on.

Dealing with the situation when there is a court order and the question of where there is a bed available, I would like to refer that one to Dale to speak to briefly as well.

Ms Elliott: In terms of if you look at actual number of admissions versus beds on a given day, it sounds like there's not one available. There would never be a youth who wouldn't be placed in a bed according to the court order, and the kinds of pressures that we've seen on the system would be, in a facility, to have to go over its capacity or to bring in extra staff to monitor youth there above its capacity. We manage all the youths, they go into a bed according to the court order, but that is one of the pressures on the system if our intake at any given time is higher than capacity.

We've tried to deal with that in a number of ways, particularly in the secure system, over the past two years. Part of that has been bringing on a number of temporary beds, so in a larger facility that has a physical capacity to bring on more beds, we've developed funding and resourcing to add a number of beds on a temporary basis to get us through peak demand.

Also in the secure system, we have been able to build a couple of secure facilities to complete the secure network that have added beds to the system. The secure system has gone up and down over the past couple of years as we've brought on some of the new facilities, as we've put temporary beds in to manage demand and then as we continue to try to do the other things we can to

decrease demand and yet still obey court orders and deal appropriately with youth.

Mr Jackson: That was one of my first questions: What new beds have come on stream since 1990-91, since that's the figure that seems to be discussed? I was not aware that we've had substantive additions, but there have been and you can identify those for us?

Ms Elliott: Yes.

Mr Jackson: Can you also identify, under the expenditure control plan, if those directives have resulted in cuts in those beds? Is that possible?

Ms Herbert: Would it be useful if we were to show over the two-year time where the beds have been in the system and how they've gone up and down, and then where the new beds have come on? We can do that for you.

What happens, as Dale said, is that we may be altering where the capacity in the system is as we move temporary beds in and move other beds off. The Thistletown example would be an example of where we've moved some beds off because of the review, but we may have opened beds somewhere else in the system. We can chart that out for you.

1610

Mr Jackson: That would be fine, and any contract problems. I know the strike or whatever we had a year ago created difficulties, because it was in tandem with the programmed cutback in beds for the review that was going on at Thistletown, which ended up with a few young offenders in correctional facilities. That was overcome very quickly once it was identified. If it was a strategy, it was a short-lived strategy.

Will the social contract in turn have an impact on bed availabilities? You're responding to the concerns raised by the Provincial Auditor. You have openly admitted that this has further complicated your response in a positive way, and reaction to it would be complicated by the ECP and the social contract aspects. I would like to use some of this committee time, not necessarily to dwell totally on the snapshot of the auditor but I'd like you to share with us the positive things you're doing and also the challenges you're currently confronting. This would be an appropriate forum for that. I'd like to have a better handle on both the ECP and the social contract implications and which facilities as it relates to the young offenders program.

Ms Proctor: With respect to ECP and social contract it's important with the young offender program, and then to think of the CFI as well, that in the young offender we're talking partly transfer payment programs and partly directly operated programs, so the issues are different in those two sectors.

With respect to the application of the social contract in the broader public sector, the social services sector, which would include the child and family intervention programs as well as the young offenders programs, those programs are part of the social services sector. The social contract target for those organizations is in the neighbourhood of 0.75%, and to the best of our knowledge at this point it has not affected bed availability or the availability of programming. The directly operated programs of the ministry are managed within the ministry's own budget constraints and within the social contract as it affects the directly operated programs and our own staff, and in that case we are managing very carefully our own directly operated expenditures and constraining the expenditures sufficiently, but trying very hard as we do that to prioritize the service delivery and to ensure that we are providing the best possible service to young people who are in our care.

Secondly, it's important to recognize that for the staff who work in the directly operated facilities, the way they are treated under the social contract in the OPS differs from staff who are not providing a front-line direct service, in order to ensure that there are staff available when one needs them on shift to provide the service.

What I'm trying to say is that the impact is differential depending on whether it's transfer payment or directly operated and then depending on the nature of the situation.

Mr Jackson: Agreed, and there's a difference between downshifting your staff to meet the social contract at, say, Thistletown, where you have to maintain for the security of the counsellors at that location. That's different from a transfer agency like the Halton children's aid society, which is a stone's throw away, which is meeting a different kind of challenge. Each case worker may have to take on four more sexual abuse cases.

But that isn't the response with servicing the client as a young offender, and that's what I wanted to get a sense of, what the impact has been. We both agree that it's differential. It's differential in a not terribly positive way for children's aid societies, as an example, compared with, say, Thistletown. When a court sends a client there, you have to have a certain number of staff and they have to eat so many meals etc. But if the phone rings and it's the children's aid society and it's a suspected abuse case, it may take a week and a half to get to that person, and so on and so forth.

Ms Proctor: Within the context of the directly operated programs, as I say, it's essential that we prioritize and try our best to ensure that staff are available as appropriate, as necessary, to provide the safety and the security of the clients and of the staff, and maintain those standards—that's a priority for us—and that we continue to provide the secure custody beds so that we are able to comply with the court orders. Our management of that would ensure that.

Mr Jackson: I'm sorry to interrupt. What I am looking for is that there is an implied cap on transfers to children's aid unless you're going to continue to fold in exceptional circumstances review funding, as an example, which has always been your sort of annual venture to help them get out of trouble like this. They're no longer going to have that, whereas young offender facilities are going to have more flexibility by virtue of the fact that you're going to have a court ordering that this child be off the street, that he be supervised and that we don't have any incidents where you've got 15 young offenders in a cottage for 12 and you've only got one person supervising them at night.

I'm not trying to bait you as much as I'm trying to get a clear distinction between the young offenders' services, which the auditor has brought our attention to, and those agencies that are dealing as transfer agencies to implement the family services act on your behalf.

The Chair: Could we get a short reply? We're running out of time and I have to turn to Ms Haeck.

Ms Herbert: Just a quick comment then: There is different application. The ministry perceives both young offender services and child welfare services as mandatory services. The ECR is not going to disappear. There is some rumour about that and we can talk about that when we have a chance later on. We can come back to this in the next round of questioning if you like.

Ms Christel Haeck (St Catharines-Brock): I want to deal with one of the auditor's observations and that's on page 48 of his report. It relates to the second bullet point towards the bottom of the page, which says, "Not complying with court recommendations to provide young offenders with counselling or therapy programs."

I know that locally in my riding and in the Niagara Peninsula, where I live, counselling seems to be one of those issues that comes up in a variety of settings as being an issue.

In the non-compliance or the statement here, is it a matter of non-compliance or just not recording it? Counselling seems to be something that is difficult to provide or at least seems to be difficult to provide.

I'd be interested in hearing your comments on the provision of those services or the documentation around whether counselling or other therapy programs have in fact been provided.

Ms Proctor: I would like to respond briefly and then I will ask Dale to elaborate a bit. The auditor notes a number of instances, 87 instances, where there was a case management plan required. The cases of non-compliance were mostly cases of not enforcing counselling or treatment, and this would maybe be documented in case notes and other aspects rather than necessarily in the particulars of that file.

It could also reflect the refusal of the client to accept counselling and so forth, but with respect to the issue of providing counselling and the young offenders' use of counselling services where that's appropriate, or refusal, I ask Dale to comment a little further.

Ms Elliott: I think you've started on the point that with a court order the court often makes recommendations for counselling or some kind of treatment program that will assist the youth, recognizing that a criminal justice process may not be the process to attend to other needs that the youth and family has. Part of our case management role is to support and guide and encourage young offenders and their families to seek out any services, counselling or treatment that may be of assistance to them, and within our case management we do that.

However, unless under the formal provisions for court-ordered treatment under the Young Offenders Act or Child and Family Services Act, there is no ability to compel treatment unless you're under those very specific conditions. What often happens is a youth or family refuses to attend counselling and says, "I will meet the conditions of my court order, my curfew, my place of residence and what not"; they may refuse. What we need to look at in the auditor's concern is that this kind of a discussion is very much a case work discussion of the case manager with the youth and family, and may well have been recorded in the probation officer's case notes, saying, "We've met; I've tried; the family has said no," rather than being formally documented in the case file.

We need to check on that and really support that in all our documentation we need to account for those kinds of decisions so that we can be clear that it has been that circumstance rather than that we have not attended to a court order.

1620

Ms Haeck: Another question—I was trying find it in my highlighting here—is on page 11 of our backgrounder, and I'm not sure if you have a copy of that but it relates to the placement of young offenders outside of their home communities. I have heard from some of my constituents. Actually, they're not that concerned about, let's say, their child being placed outside of the city of St Catharines and having to go to Welland to find a residential care centre. The problem is that there's not enough places in many instances which might deal with a range of situations.

When you are dealing with a teenager, someone probably between the ages of 13 and 15, you have great difficulty in placing someone who is aggressive or violent. In light of some of the comments here, I realize that it might be difficult to have a placement in every community, but how are you dealing with this particular extraordinary situation?

Ms Proctor: I think you're referring to the fact that it is really difficult at times to ensure—

Ms Haeck: To find an appropriate placement, yes.

Ms Proctor: Our objective is certainly to try to ensure a placement as close to the home of the youth as possible, but that is also balanced with the need to try to find a placement for the young person which is also appropriate to their needs, where there can be effective program and effective treatment of the behaviour of the young person as well.

We have been working, and I'll ask Dale to speak a bit more to this point, on the consistent application of a needs assessment-risk assessment that can be used by all workers with young offenders to determine what is the range of service and program that's most appropriate and useful for the particular individual, to try to provide a better consistency of assessment and better matching of resources and young people. I would like to ask Dale to speak a bit more to that point.

Ms Elliott: Around aggressive youth, there are a number of options, so that may be one of the reasons why a youth is moved out of a local community and to a facility that is further from home, if that facility is just unable to handle the behaviour.

There are options, though, agencies at a local level that the ministry supports. If it is believed that perhaps with

the addition of a one-to-one worker in that facility for a period of time, with a set of goals, we can change the youth's behaviour, then that may be one of the things we would do.

There may be a service in the community. If the youth and his family also were attending some kind of specialized programming like anger management programming available in a local children's mental health centre, then we would work to get that kind of specialized programming. There may be a number of ways we could maintain a youth. Though the facility itself may not be specialized, we can build in supports on an individual case basis.

The other option that is open to us from a legislative point of view for a youth whose behaviour in open custody is creating a security and safety risk for staff and other residents is our administrative ability to move that youth into a secure custody facility for a period of up to 15 days, to bring about some containment and control of the behaviour. We range from case management service applications to legislative provisions that allow us to do that kind of movement.

Ms Haeck: I'll defer to my colleagues if there's someone else who has some questions.

Mr Randy R. Hope (Chatham-Kent): Before I move on to the questioning, I'd like to ask Mr Peters: I've heard comments made about the children's aid society. Do you have any jurisdictional role inside the children's aid society as far as conducting an audit is concerned? It's a multifunded process. It's funded by the ministry and funded by the municipalities.

Mr Erik Peters: The children's aid societies are audited by outside auditors, not by my office, and then largely they're all audited for financial purposes. I don't know whether it's all, but they're audited for financial purposes only, not for value-for-money issues.

Mr Hope: It's just that with some of the lines of questioning, I was starting to wonder why we were doing comparisons with the children's aid society versus detention centres, which we really can't compare in this committee because you have no role and responsibility. That's why I brought it up, just for clarification for the committee. I'm well familiar because I've had this conversation with your office many times.

Mr Peters: To put it into perspective, we have just had a week's hearing on the education system. Again, we were dealing extensively with the role of school boards in the educational system, but none of the school boards actually are audited by my office. It's nevertheless a ministry responsibility, such as it is here, to govern and regulate and deal effectively with the children's aid societies, even though they're not subject to audit by us.

Mr Hope: Some of the questioning I'm going to focus on is around children's services. It scares me a bit, and I'll be honest with you. The auditor had written this document, and I don't know if that's good news or bad news. We'll find out during the process.

One of the questions I'm going to follow along with is the excellent work that our legislative research does for us in these committees. They take an examination of what the audit has been and they compile some questions for us which I think are very valuable. It's non-political, so we're not getting a lot of political questions being asked.

One of the questions here that deals under compliance with legislation and ministry guidelines is, "What is the purpose of the ministry's Policy Framework for Services Funded under the Child and Family Services Act?"

Ms Proctor: I'd like to elaborate on that, because the policy framework for services funded under the CFSA is really helping to address a range of issues that we're experiencing right across the service system. This framework, which has been developed by the ministry and has been in use over the past year and which we are continuing to develop, we see as being a very critical set of directions to help us work in concert with communities, with local agencies, to deal with issues of funding, to deal with issues of priority setting and to deal with the effective management of the service system overall.

Mr Peter Gooch, who is with us, has key responsibility for managing the ongoing work in respect to the children's policy framework. I would like him to speak briefly to the content and to the progress that we're making in that area.

Mr Peter Gooch: First, to the content, I can give you a very brief outline of what the purpose of the framework is and some of its content, and then I could also speak, and I won't take a lot of time, about the kinds of effects the framework's having across the province.

First of all, the framework is really the ministry's long-term plan for children's services in the province. It's set up to set a course really in six directions, and I'll list them in a moment. Not only does it say what we'd like the service system to look like, but it sets those directions in fairly specific ways.

It names some goals we have for the service system under the Child and Family Services Act in the context of a broader range of services in communities, and it lays out some specific objectives in three columns. There's an immediate set of objectives for this fiscal year, a midterm set of objectives and a longer-term set of objectives. Let me just run through the six directions.

What we want in the system of services we're funding under the Child and Family Services Act—remember, that includes a very broad range of services: young offender services, child and family intervention services, child protection services and developmental services for children as well—is an integrated, cohesive system of services.

What we have now are services that are still organized to some extent by sector. We still think of them as young offender services or children's mental health services or child protection services. The whole goal of the Child and Family Services Act was to lay out a legislative platform for a more integrated range of services, all those things working together in communities as a system, rather than as isolated agencies or isolated service sectors.

1630

We really want services that are organized to respond better to the individual and specific needs of children. We don't want to continue a system that's organized by traditional agency mandate or service types. Where those

aren't effective or efficient—sometimes it does make sense to organize those services in that way—overall we really want a system rather than a collection of agencies out there.

The second direction is improved access to appropriate services for children and families. We know from the work we did to develop the policy framework and from things we've heard all over the province that families do face barriers to services. For example, we'd like to see information shared by service providers so families face fewer assessments as they move from service provider to service provider, and we'd like more coordinated access to residential services than we have right now. So the second direction is improved access.

The third direction is appropriately targeted resources. The document really lays out what the ministry's priorities are and it makes it clear, as the deputy's mentioned, that we see young offenders and children in need of protection as a key and major priority of the ministry. We also see the clear and present need to serve children who have the highest levels of needs, have the most serious and chronic needs. But the framework also says that we have priorities at the other end of the spectrum, if I can call it that way. We really want to see services that provide effective early interventions and services that prevent the need for more intrusive services as a priority, and we want services to address each of those priorities, all four of those priorities, in every community in the framework. It makes that clear.

The fourth direction is an equitable distribution of resources across the province. We want progress towards funding allocations based on child population and indicators of need for services and other relevant factors.

The fifth direction is local community participation and planning. Through the policy framework, we are making progress across the province towards a more effective involvement of communities in making major decisions about the organization and delivery of services across the province in the local communities. The policy framework supports and lays out some clearer expectations of the ministry for a local planning process for children's services. I should mention it's not just for services that we are funding; those expectations really do address the role of school boards and district health councils and health-funded providers as well.

The last direction is increased accountability based on the results of services. This is something the Provincial Auditor has noted in his report and the policy framework commits the ministry to develop new ways to measure the outcomes of services on children and family receiving them. We will continue to hold service providers accountable in the ways we've developed, but we will be adding to that new ways that really track and gain some information about the outcomes of those services.

Mr Hope: With those six points you've indicated, my second part of the question is, how far has the ministry progressed in implementing this framework? I know the auditor and everybody wants a say. After the good economic times when the ministry was distributing all kinds of money out there, we seem to be the bad government that's coming in there now and saying, "We've got to work together instead of creating all these different agencies." You've indicated the six points and I'm curious, on those six points dealing with that framework, how far has the ministry got to do something?

Mr Gooch: I can give you some stories. I can give you some anecdotes from around the province. The first thing I want to note is that the framework was released in May 1993, and as such we need to give communities and our area offices some time to begin to meet those expectations over the short term.

The other thing that needs to be said is that it's one thing for the ministry to chart a course of six directions—we know where we'd like to be—it's another thing to know how to get there. We are working very actively with provincial associations like the Ontario Association of Children's Mental Health Centres and the Ontario Association of Children's Aid Societies and all our provincial associations in a project to support the implementation of the policy framework.

It's a little difficult to explain to our area office staff and to service providers, but we're both implementing the thing and developing supports for its implementation at the same time.

I've just had the privilege of going around the province to talk to area offices, each area office in the province. In the last four weeks I've been, quite literally, from Windsor to Thunder Bay and back again.

Mr Hope: Hopefully you stopped at Chatham.

Mr Gooch: Not in Chatham. I've also been to talk to local planning groups around the province as well. I can tell you that we've heard strong support everywhere for these directions. People see them as the credible, legitimate directions for the kind of positive change we need to see in the service system.

What we've heard about are significant efforts in communities to share resources and significant efforts to bring agencies we fund in other communities together as partners to plan for children's services. We've heard that this policy framework, if it does nothing else, certainly makes the ministry's expectations clearer. That helps our area staff to support change and work for change in communities. It certainly motivates service providers, even in the form it is now.

I know that all across the province local planning groups are using this framework as a planning tool. They're organizing their own work plan. They're organizing the tasks that they take on as planning groups. Area offices are organizing their tasks as they manage a system of services in their catchments. They're organizing it under the categories of this framework and building the expectations that are laid out there into their own ongoing management.

I could give you some examples. I don't want to use the committee's time. If you are interested, I could share my notes.

Mr Hope: Yes, I would appreciate that. I think it's important for the committee to understand what's going on and some of the work.

Here is one of the other questions I have is. It's a question I have because legislative research has done it,

which really asks me the question, how did government ever fund programs before when they never had criteria established? "How can the ministry prepare budgets for its programs without first clearly defining what costs are properly chargeable to those programs?" Hopefully, I was clear on that one; it's a tongue-twister. If we've had no mechanism in place to clearly define the roles of children's services—hopefully, I'm sticking on this right, Ann; I'm reading your questions here—how do we know it was even charged to those children's services programs?

Because of financial constraints, we're now asking everybody to work together and to find out what is a need or what is a want. We're going through that whole exercise. We hear what the opposition says about the expenditure controls and about the extraordinary pressures on different agencies. What was the mechanism? The auditor has indicated a few areas. What are the mechanisms you're using to clearly define whether it is properly charged to this account?

The Chair: Mr Hope, if I may interject for just a moment, that is a very good question.

Mr Hope: Yes, and my question is on the issue.

The Chair: Might I suggest that we adjourn for the day—each of the parties has had one round—and that we tackle that question tomorrow, because it is approaching 5 of the clock. It's a little earlier, but we did have one round for each party and I think by all-party agreement we were going to end after one round for each party. Perhaps we could resume our discussion tomorrow morning at 10 o'clock and adjourn for the day. Okay? Thank you. We're adjourned.

The committee adjourned at 1639.

CONTENTS

Monday 7 February 1994

Annual report, Provincial Auditor, 1993: Ministry of Community and Social Services P-553

STANDING COMMITTEE ON PUBLIC ACCOUNTS

*__Chair / Président:__ Cordiano, Joseph (Lawrence L)
*__Acting Chair / Président suppléant:__ Callahan, Robert V. (Brampton South/-Sud L)
*__Vice-Chair / Vice-Présidente:__ Poole, Dianne (Eglinton L)
Bisson, Gilles (Cochrane South/-Sud ND)
*Duignan, Noel (Halton North/-Nord ND)
Frankford, Robert (Scarborough East/-Est ND)
Marland, Margaret (Mississauga South/-Sud PC)
*Murphy, Tim (St George-St David L)
O'Connor, Larry (Durham-York ND)
Owens, Stephen (Scarborough Centre ND)
*Perruzza, Anthony (Downsview ND)
Tilson, David (Dufferin-Peel PC)

*_In attendance / présents_

Substitutions present/ Membres remplaçants présents:
Haeck, Christel (St Catharines-Brock ND) for Mr Bisson
Hayes, Pat (Essex-Kent ND) for Mr Frankford
Hope, Randy R. (Chatham-Kent ND) for Mr O'Connor
Jackson, Cameron (Burlington South/-Sud PC) for Mrs Marland
Johnson, Paul R. (Prince Edward-Lennox-South Hastings/Prince Edward-Lennox-Hastings-Sud ND) for Mr Owens
Villeneuve, Noble (S-D-G & East Grenville/S-D-G & Grenville-Est PC) for Mr Tilson

Also taking part / Autres participants et participantes:
Ministry of Community and Social Services:
Rosemary Proctor, deputy minister
Dale Elliott, program analyst, young offenders program
Peter Gooch, project manager, children's policy framework, children's policy branch
Sue Herbert, assistant deputy minister, program management
Heather Martin, coordinator, children's services, program management division
Peters, Erik, Provincial Auditor

Clerk / Greffier: Decker, Todd

Staff / Personnel: Anderson, Anne, research officer, Legislative Research Service

431900026

JUL 6 1994


3 1761 11468371 7